

Intellectual Capital Reporting Accounting of the New Millenium

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Abstract

The concept of intellectual capital is becoming popular at global level in recent era. Various forward-looking companies have started measuring and Intellectual capital of a firm is, its possession of knowledge, applied experience, organizational technology, customer relationships and professional skills that provides it with a competitive edge in the market. It is the intellectual material - knowledge, information, intellectual property and experience that can be put to use to create wealth. Intellectual capital is nothing, but the combined intangible assets that enables a company to function in a passionate way and simply we can call it as "packaged useful information". If these intangible resources, such as knowledge as well as professional skills of the employees, organizational technology, research and development are not properly identified and utilized, it may cause to the failure of the business. The importance of financial assets in the determination of a company's market value is decreasing fast, and it is equally recognized that non-financial (or intangible) assets are now the main drivers of performance and market value.

Key words: *Intellectual capital, relationship capital, Laliect 4 leaf model, intellectual audit*

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