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The Effect of Brand on Increasing Firms' Value

Farhad Rafaat Ali Al-Kake*
Accounting department, Catholic University in Erbil, Kurdistan Region, Iraq

Keywords:
IAS 38, goodwill, global brands, firm value, book value, and market value.

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*Corresponding author:
Farhad Rafaat Ali Al-Kake
Accounting department, Catholic University in Erbil, Kurdistan Region, Iraq

Abstract: This study's main goal is to assay how intangible assets, specifically the value of brands, affect firm value and the difference between book value (BV) and market value (MV). Excel as one of the software has been used to calculate ratios such as the B/M ratio, Interbrand value/MV, and Brand Z value/MV. The brand values were obtained from Interbrand and Brand Z, two companies that evaluate brands on an annual basis. In order to determine whether the value of the brands that are issued by these two firms has an impact on the value of the firm, the study also looks at the relationship between brand and firm values with the use of SPSS. The same brands in two separate companies were compared using Interbrand and Brand Z's top 100 brand rating lists from 2020, and an explanation of why the two valuation organizations place different values on the same brand was provided. The results show some businesses have relatively high book-to-market ratios, whereas, for others, the book value is higher. Brand value also accounts for a significant portion of both a company's book and market values. The findings also indicate that some organizations valued their brand more than their commercial value. According to the findings of the regression analysis, brand valuations by Interbrand and Brand Z have a considerable influence on business value.

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تأثير العلامة التجارية على قيمة الشركات

فرهاد رفعت علي الكاكي
قسم المحاسبة، الجامعة الكاثوليكية في أربيل

المستخلص

الهدف الرئيسي لهذه الدراسة هو تقييم مدى تأثير الأصول غير الملموسة، وتحديداً قيمة العلامات التجارية، على قيمة الشركة والفرق بين القيمة الدفترية (BV) والقيمة السوقية (MV). تم استخدام Excel كأحد البرامج لحساب النسب مثل نسبة B/M، وقيمة Interbrand/MV، وقيمة Brand Z/MV. تم الحصول على قيم العلامة التجارية من Interbrand وBrand Z، وهما شركتان تقومان بتقييم العلامات التجارية على أساس سنوي. ومن أجل تحديد ما إذا كانت قيمة العلامات التجارية التي تصدرها هاتان الشركتان لها تأثير على قيمة الشركة، تبحث الدراسة أيضًا في العلاقة بين العلامة التجارية وقيم الشركة باستخدام برنامج SPSS. تمت مقارنة العلامات التجارية نفسها في شركتين منفصلتين باستخدام قوائم تصنيف أفضل 100 علامة تجارية الصادرة عن Interbrand وBrand Z لعام 2020، وتم تقديم شرح لسبب قيام منظمتي التقييم بوضع قيم مختلفة لنفس العلامة التجارية. تظهر النتائج أن بعض الشركات لديها نسب دفترية عالية نسبيا إلى السوق، في حين أن القيمة الدفترية أعلى بالنسبة للآخرين. تمثل قيمة العلامة التجارية أيضًا جزءًا كبيرًا من القيمة الدفترية والسوقية للشركة. وتشير النتائج أيضًا إلى أن بعض المنظمات تقدر علامتها التجارية أكثر من قيمتها التجارية. وفقا لنتائج تحليل الانحدار، فإن تقييمات العلامة التجارية من قبل Interbrand وBrand Z لها تأثير كبير على قيمة الأعمال.

الكلمات المفتاحية: معيار المحاسبة الدولي 38، الشهرة، العلامات التجارية العالمية، قيمة الشركة، القيمة الدفترية، والقيمة السوقية.

Introduction:

Previously, an accountant would determine a company's asset worth by adding its historical cost to the value of its tangible assets, disregarding the value of its intangible assets (Al-Kake & Ahmed, 2019: 650). According to Karin, et al. (2019), intangible assets typically encourage firms to raise the value of the company in today's expanding knowledge-based economy. However, in the modern world, a company's value differs from its market value due to differences in the value of its balance sheet and other factors. If the company is purchased, merged, or taken over by another company, this is different under IFRS3 and is referred to as goodwill. This can be represented in the financial position of the firm as the compeer between the book value and the market value of the company (Ismael, et al., 2020: 7). Since IAS 38 does not permit internally generated intangible assets to be

recognized, internally generated intangible assets are another reason for the discrepancy between book and market value. (Dixit & Sharif, 2020: 18). Therefore, the stock price is offered as a reasonable indicator of the market value of the firm based on the market assumption that stock prices comprise all information that is pertinent to assets (Sultan, et al, 2020: 150). Additionally, IAS 38 can only be used to record the value of internal company-generated intangible assets.

Part I: Research Methodology

Research Question:

1. What major problems arise when intangible assets like brands are not listed in the financial reports?
2. Why are brands eliminated from the balance sheet?
3. How much influence do brands have on companies?

Research Aims: This research seeks to examine the connection between the brand value, which is not reflected on the balance sheet, and the firm value of the corporation. This may help to understand why the limitations of the current IFRS3 and IAS 38 standards have led to disparities between the company's book value and market value. The worth of the Top 100 Brands according to Interbrand and BrandZ valuation firms is used to analyze this link.

Research Hypotheses:

Hypothesis 1: Research has made a distinction between businesses operating in the technology sector (20) and those operating in other industries (40).

Hypothesis 2: There is a strong relationship between brand value and company value.

Microsoft Excel and the 22nd version of the Statistical Package for the Social Sciences (SPSS) were utilized to enhance the study hypotheses. Only a few ratios, including the B/M ratio, Interbrand value/MV, and BrandZ value/MV, were found using Microsoft Excel. These ratios show how much a brand is worth concerning the firm’s market value and are published by Interbrand and Brand Z, respectively.

Research and Sampling Design: As previously noted, regression analysis will be used in the study to determine the relationship between brand value and company value as determined by Interbrand's high 100 international

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Brands ranking list and BrandZ's high 100 international Brands for 2020. Only 60 out of the top 100 firms have been included, however, as some lacked annual reports and others were not listed on any stock exchanges, making it impossible to determine their market worth. The study was unable to use all 100 of the top brands as a result.

The Data Set: Secondary data were employed in this investigation. The data set used in this study includes the brand's yearly worth as determined by BrandZ's Top 100 Global Brands for 2020 and Interbrand's Global Top 100 Brands ranking list. The brand value is derived from data from these external organizations, but it was essential to obtain information on the book value and market value of the companies used as samples for this research to conduct this study. Hence, a search for the firms' book and market values was conducted using the Mergent Online database. The study used the firm's balance sheet to calculate the gap between its assets and liabilities in order to determine the book value of the company. Due to the availability of reports from the sample firms, the balance sheets prepared under IFRS for 2020 were chosen. The United States dollar was additionally chosen because it matched the mentioned brand values. The study determines the market value by multiplying share prices by the number of outstanding shares. The precise share price used in the study was the closing share price for the period from January 1 to December 31, 2020, and the number of shares outstanding was listed under Company Details in the Mergent Online database.

Research sample: The top 100 worldwide corporations included in Interbrand's renowned brand rating report and the same firms in BrandZ's report were the focus of this study. Such businesses are either listed in the New York or the Other OTC Market of the NASDAQ National Market System.

Figure (1): Research Model

Industrial Classification (IC): Research has made a distinction between businesses operating in the technology sector (20) and those operating in other industries (40). The measurement of the study variables is as follows: The dependent variables are Interbrand and BrandZ which are both measured by an independent organization. Independent variables are Book Value (Total Assets - Total Liabilities), Market Value (Share price * Share outstanding), and Industrial Classification (Technology and Non-technology Sector).

Part II: Theoretical Part:

Efficient Market Hypothesis (EMH): EMH is one of the economic instruments that many other theories in the fields of economics and finance use as a foundation (Binh, & Trang 2020: 307). In 1970, Fama argued that market prices are efficient if they always accurately reflect the knowledge at hand. EMH makes the supposition that market responses to all publicly available information are impartial and effective. Hence, if the stock market is efficient, the share price will only fluctuate in response to new events and information (Hamawandy, et al., 2020: 11). The EMH made an effort to understand why a company's stock price varies when new information enters the market. Finance scientists have looked into whether or not the market is efficient. According to Fama (1970), the efficient capital markets hypothesis contends that the stock's price reflects all information that is currently available regarding the firm's anticipated future returns. According to (Basariya & Al Kake, 2019: 240), the stock price accurately reflects all of the information that is currently known about the companies in fully efficient market capital. Since this information may enhance stock prices for the firm in the market and so increase its market value when there is a flow of announcements to the market regarding the firm's status, it may also have the opposite effect. (Mousa, & Zéman, 2021: 7). Therefore, a shift in the companies' stock prices may also result from the Interbrand and BrandZ reports. (Rzgar & Sharif, 2018: 822).

Goodwill: Generally, goodwill is the discrepancy between the bought price and the market-based fair value of a company's equity. Goodwill is defined as "future economic advantages emanating from assets that are not capable of being individually identified and separately recognized" by IFRS 3

(mentioned in Elliott and Elliott 2011; 466). This definition makes it clear that a firm's worth fluctuates in the market over time. As a result, a corporation cannot efficiently value all of its assets due to limitations imposed by accounting standards. Goodwill should only be recorded by businesses via mergers or acquisitions. Although, (Nawzadsabir, et al. 2019: 571) assert that there are two primary ways for businesses to acquire goodwill: through internal creation and acquisition. Internally created goodwill cannot be reflected in the firm's financial statement, which is how these two approaches differ from one another. Even though the cost of purchasing goodwill from others can be identified, this value may depreciate over time or be amortized. (Dixit & Sharif, 2019: 15)

Brands: Seetharaman, Nadzir, and Gunalan (2001) defined a brand as "an asset that does not have physical existence and the value of which cannot be precisely determined unless it becomes the subject of a specific business transaction of sale and acquisition." Brands are now among a company's most valuable intangible assets. Because consumers often develop strong bonds with their preferred brands, a company's management must take care to maintain and increase the company's worth. A brand's high value contributes to a company's enhanced cash flow, earnings, and shareholder equity in addition to its high values. According to (Kangarluei, et al. 2012: 86), it is challenging to identify the brand from the company's intangible assets and goodwill, making it difficult to calculate the brand value in the financial statements of the company.

A brand is thought of as a unique and recognizable identity that buyers are willing to spend exorbitant sums of money for (Othman, et al., 2019: 905). (Gardi, et al. 2020: 9) remind us that building a powerful brand name takes time, and the majority of businesses appear to concur that building a brand is a procedure rather than a project. As a result, customers frequently choose to spend more money on branded goods than on similar non-branded goods. Brands are therefore a company's most important intangible asset, according to (Ahmed & Al-Kake, 2019: 1011), and over the past ten years, many business managers have deemed brand development one of their main precedence.

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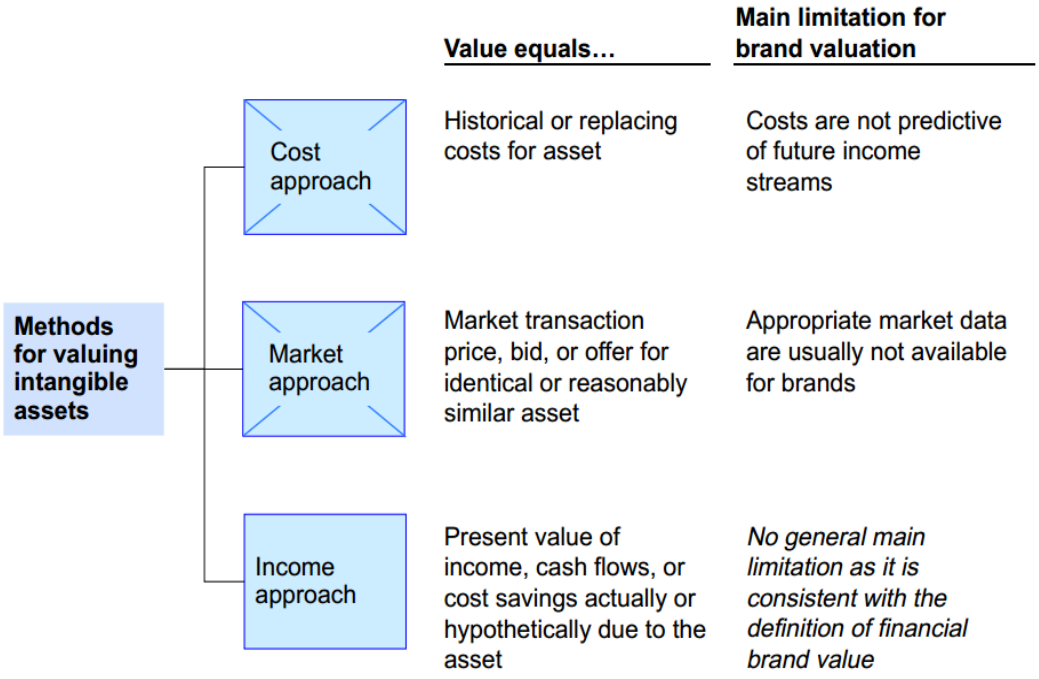
Brand valuation methods are categorized as follows: There are three methods for valuing brands that are shown in Figure (2)



Classification of Brand Valuation Method in Figure 2.
Source: (Mizik, 2008: 22)

Part III: Practical Part

Regression Model: Two statistical tests have been created and implemented to assess the impact of the values of the brands on the market capitalization of the firms. As many of the empirical studies undertaken in this area test the effect of the brand value on the firm value (Sorguli & Al-Kake, 2020: 7033).

$$Model\ 1: Interbrand = B0 + B1\ (\text{Market Value}) + B2\ (\text{Book Value}\ )\_B3(IC\text{Industrial Classification}) + Ei$$

$$Model\ 2: BrandZ = B0 + B1\ (MV) - B2\ (BV) + B3(IC) + Ei$$

Where B0 is fixed (constant) and B is the projected increase for a unit change in each independent variable, Interbrand and BrandZ are the dependent variables that represent the firm's brand value. The independent variables that depict the company value are called MV and BV, which stand for market value and book value, respectively (Kadhim, et al., 2021: 1077). The independent variable IC, the term of error E, and the company number I all refer to the industrial classification (1- 60).

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B/M ratio, Interbrand value/ MV, and BrandZ value/MV

Table (1): BrandZ value/MV, Interbrand value/MV, and B/M ratio

Firm name	IC	Interbrand $M	BrandZ $M	MV $M	BV $M	BV/MV %	Interbrand /MV%	BrandZ/ BV%
Apple	1	118,863	147,880	647,506	111,547	17%	18%	23%
Google	1	107,439	158,843	360,940	104,500	29%	30%	44%
Coca-Cola	0	81,563	80,683	12,392	257	2%	658%	651%
IBM	0	72,244	107,541	158,919	12,014	8%	45%	68%
Microsoft	1	61,154	90,185	382,701	89,784	23%	16%	24%
GE	0	45,480	56,685	254,149	136,833	54%	18%	22%
Samsung	1	45,462	25,892	143,255	153,631	107%	32%	18%
Toyota	0	42,392	29,598	394,862	147,443	37%	11%	7%
McDonald's	0	42,254	85,706	90,223	12,853	14%	47%	95%
BMW	0	34,214	25,730	64,594	45,505	70%	53%	40%
Intel	1	34,153	11,667	172,304	55,865	32%	20%	7%
Disney	0	32,223	34,538	160,782	48,178	30%	20%	21%
Cisco	1	30,936	13,710	142,076	56,661	40%	22%	10%
Amazon	0	29,478	64,255	143,694	10,741	7%	21%	45%
Oracle	1	25,980	20,913	195,304	49,098	25%	13%	11%
HP	1	23,758	19,469	73,810	27,127	37%	32%	26%
Louis Vuitton	0	22,552	25,873	17,284	23,003	133%	130%	150%
Honda	0	21,673	14,085	52,644	59,227	113%	41%	27%
H&M	0	21,083	15,557	13,670	6,953	51%	154%	114%
Nike	0	19,875	24,579	82,400	10,824	13%	24%	30%
American Express	0	19,510	34,430	95,179	20,673	22%	20%	36%
Pepsi	0	19,119	9,318	140,705	17,548	12%	14%	7%
SAP	1	17,340	36,390	83,247	23,821	29%	21%	44%
eBay	0	14,358	15,587	28,910	19,906	69%	50%	54%
Facebook	1	14,349	35,740	218,214	36,096	17%	7%	16%
Volkswagen	0	13,716	8,403	12,706	123,957	976%	108%	66%
HSBC	0	13,142	27,051	907,275	199,978	22%	1%	3%

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Firm name	IC	Interbrand $M	BrandZ $M	MV $M	BV $M	BV/MV %	Interbrand /MV%	BrandZ/ BV%
J.P. Morgan	0	12,456	12,356	254,574	232065	91%	5%	5%
Ford	0	10,876	11,812	61,317	25,174	41%	18%	19%
Hyundai	0	10,409	4,615	32,339	57,235	177%	32%	14%
Accenture	0	9,882	18,105	58,637	6,285	11%	17%	31%
Hermès	0	8,977	21,844	3,713	3,912	105%	242%	588%
Siemens	0	8,672	16,800	93,548	39,672	42%	9%	18%
Colgate	0	8,215	17,668	62,735	1,385	2%	13%	28%
Sony	0	8,133	7,718	23,924	27,004	113%	34%	32%
Allianz	0	7,702	5,323	76,381	77,430	101%	10%	7%
Nissan	0	7,623	11,104	39,783	45,258	114%	19%	28%
Adidas	0	7,378	7,192	14,190	6,829	48%	52%	51%
Visa	0	5,998	79,197	199,796	27,413	14%	3%	40%
Prada	0	5,977	9,985	14,355	4,113	29%	42%	70%
Burberry	0	5,594	5,940	7,276	750	10%	77%	82%
Starbucks	0	5,382	25,779	61,503	5,274	9%	9%	42%
Ralph Lauren	0	5,084	13,687	15,979	4,034	25%	32%	86%
MasterCard	0	4,758	39,497	99,304	6,824	7%	5%	40%
Hugo Boss	0	4,143	4,526	1,701	1,026	60%	244%	266%

Source: Interbrand and BrandZ 2020; Annual Report from Mergent Online 2020; MV of the company from Mergent Online 2020

Table 2**:** summarizes the B/M, Interbrand, and BrandZ value/MV book-to-market value ratios. The previous table demonstrates that some companies have unusually high book-to-market value ratios. Nine out of 45 companies, or 19.6% of the study sample, have lower market values than books. The book value of the remaining 36 companies (78.4%), with values ranging from 2.07% to 91.16%, is less than the market value. Their capitals thus are undervalued.

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Furthermore, a significant portion of the firm's market worth is derived from its brand value. Hence, the difference between book value and market value might narrow if this value of the brand were reflected in the firm's financial statements ratio.

Table 2 shows that Interbrand valued seven brands higher than their market capitalizations, while BrandZ valued six brands higher. For instance, Hermès was evaluated by Interbrand at $8,977 million and BrandZ at $21,844 million, respectively, despite though its market value was only $3,713 million. This could be seen as a restriction on how much companies can be valued. The table also demonstrates another drawback for the valuation firm, namely that, as was said in the Hermès example given above, different values are placed on the same brand name by several valuation firms. The first hypothesis of this study which holds that brand value has a significant impact on the existence of a difference between books and market values is supported by the results shown in Table 2. If the brand reputation is recorded in the company balance sheet, this could help to narrow the gap.

Statistical Analysis (Descriptive Statistics): The value of the brands (Interbrand and BrandZ) will be used to show the dependent variable in this section, and book value and market value, which represent firm value, will be used to show the different variables. Next to each other, these two variables will be referred to as the dependent and independent variables. Secondly, industrial categorization is also regarded as an independent variable but is solely used to differentiate between sectors that employ technology and those that don't, with (1) denoting technology and (0) denoting non-technology.

Table (2): Data Description

Variables of this study	Number	Minimum	Maximum	Mean	Std. Deviation
Interbrand	60	4144	118864	25812.63	26213.398
BrandZ	60	45255	158842	34076.81	36222.202
MV $M	60	1702	907276	137128.88	174130.393
BV $M	60	256.9420000	232064.0000	48349.03072	55642.15511
IC	60	0.0	1	0.223	0.4203

The lowest, maximum, mean, and standard deviation of the research variable are shown in Table 2 along with other descriptive data. The table's summary reveals that the Interbrand-published brand has an average value

of 25,812.63, a range of 4,144 to 118,864, and a standard deviation of 26,213.398. 34,076.81 is the BrandZ average brand value reported by Millward Brown. The standard deviation of this average, which falls between 4,526 and 158,842, is 36,222.202. Concerning the independent variables, the market value has a mean of 137,128.88, a standard deviation of 174,130.393, and a range of 1,702 to 907,276. Additionally, the standard deviation is 55,642, the average book value is 48,349, and the range is between 256,942 and 232,064. The brand value, the dependent variable for Interbrand and BrandZ, in addition to the book value and market value of the company, are all spread out over a wide range, according to the table, which shows that the standard deviation is higher than the mean.

Pearson correlation between variables: To determine the correlations of the connection between the dependent and independent variables, the Pearson correlation coefficient is used (Al-Kaka & Hasan, 2019: 733).

Table (3): Correlation between Interbrand and the independent variables

	Interbrand $M	**MV $M**	**BV $M**	**IC**
Interbrand $M	1	0.471**	0.279	0.457**
MV $M		1	0.678**	0.326*
BV $M			1	0.217
IC				1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Table 3 shows the relationship between Interbrand, the explained variable, and a few additional variables, the explanatory variables. The table indicates that there is a correlation between Interbrand and the market value of the company of 0.471, the book value of the company of 0.279, and the industry classification of 0.457. The findings of this study demonstrate that there is very little correlation between the explained variable and the explanatory variables. In light of the aforementioned, Interbrand will experience a positive benefit, albeit one that happens more slowly, for every unit that the market value, book value, or industrial categorization increases. As seen in the table, there is a positive correlation between book value and market value of 0.678. According to this finding, a one-unit change in one variable results in a 67.8% change in the second variable in the same direction. The relationship between market value and industrial classification

in this investigation is 0.326. The results show a weakly positive association between the two variables. Therefore, it follows that for every unit change in one variable in any direction, there is a proportional change of 32.6% in the second variable in the same direction. The book value and market value have a positive correlation of 0.678, according to the table. This result suggests that a change of one variable by one unit causes a change of the other variable by 67.8% in the same direction. In this analysis, there is a 0.326 link between market value and industrial classification. A somewhat positive correlation between the two variables is indicated by the output. Therefore, it follows that there is a proportional change of 32.5% in the second variable in the same direction for every unit change in one variable in any direction. The next correlation in Table 4 links the company's book value to its classification as an industry. The correlation value of 0.217 in the table illustrates the study's finding that there is a tenuous positive relationship between the two variables. The inference is that any direction of change in one variable will result in a 21.7% change in the second variable in the same direction.

Table (4): Correlation between BrandZ and the independent variables:

	BrandZ $M	**MV $M**	**BV $M**	**IC**
BrandZ $M	1	0.482**	0.133	0.329**
MV $M		1	0.678**	0.324*
BV $M			1	0.217
IC				1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

The correlation between BrandZ, the explained variable, and other variables, the explanatory variables, is shown in Table 4. The table shows that there is a 0.329 correlation between BrandZ and the industry categorization, a 0.482 correlation between BrandZ and the market value of the company, and a 0.133 correlation between BrandZ and the company's book value. The results of this study thus demonstrate that the explained variable and the explanatory factors exhibit a rather weak positive correlation. Therefore, BrandZ's worth will improve, albeit more slowly, for every unit that the market value, book value, or industrial categorization

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increases. Because it is the same variable as was described in the previous table, the table displays the same correlation between other variables.

Regression Analysis for Variables:

Table (5): Regression Analysis for Interbrand

	Unstandardized Coefficients	**Standardized Coefficients**	**T value**	**Sig.**
	B	**B**		
(Constant)	14342.058		3.105	0.0031
MV Million $	0.061	0.408	2.270	0.027
BV Million $	-0.034	-0.073	-0.422	0.674
IC	21153.216	0.338	2.502	0.0159
F value				6.626
R square				0.326
Sig.				0.001

Interbrand's regression results are shown in Table 5 when they are regressed against other factors acting as repressors. The table reveals that the regression constant is 14,342.058. The market value of the company has a coefficient of 0.061, while the book value and industry categorization have coefficients of -0.034 and 21,153.216, respectively. It is possible to write the regression equation as Interbrand=14342.059+0.062MV-0.035BV+21153.217IC. In this model, the R-square value is 0.326. This result indicates that only 32.6% of the fluctuations of Interbrand are explained by the independent variables, according to (Woodhouse, 2003: 544). The remaining difference is caused by additional elements outside the one taken into account in this study that have an impact on the firm's Interbrand. Values of the standardized regression coefficient that are significant. The results show that the regression coefficients have statistical significance. The overall regression is significant at a significance level of 0.001 according to the F-value of the regression, which is 6.626.

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Table (6): Brand Linear Regression Analysis

	Unstandardized Coefficients	**Standardized Coefficients**	**T Value**	**Significant**
	B	**B**		
(Constant)	22800.214		3.591	0.001
MV Million $	0.137	0.661	3.693	0.001
BV Million $	-0.232	-0.357	-2.062	0.045
IC	16442.078	0.192	1.416	0.163
F value				6.838
R square				0.335
Significant				0.001
	Unstandardized Coefficients	Standardized Coefficients	T Value	Significant
	B	B		
(Constant)	22800.214		3.591	0.001
MV Million $	0.137	0.661	3.693	0.001
BV Million $	-0.232	-0.357	-2.062	0.045
IC	16442.078	0.192	1.416	0.163
F value				6.838
R square				0.335
Significant				0.001

Table 6 shows the BrandZ regression output when compared to the other independent variables. The table reveals that the regression constant is 22,800.214. The market value of the company has a coefficient of 0.137, while the book value and industry categorization have coefficients of -0.232 and 16,442.078, respectively. As a result, the regression equation is BrandZ=22800.214+0.137MV-0.232BV+16442.078IC. This model's R-square score is 0.335, which indicates that the independent variables can only account for 33.5% of the variation in BrandZ. Other BrandZ value-affecting variables besides the one taken into account in this study regulate the remaining variation. The standardized regression coefficient values above the significance levels. As a result, the findings demonstrate that the regression coefficients are statistically significant. The F-value of the

regression, which is 6.838 at a significance level of 0.001, indicates that the overall regression is significant.

Results: This study looked into how brand value affects company value. The study has demonstrated that there is a significant discrepancy between firm book and market values as a result of IAS 38's prohibition on recording brand value in a firm's financial statements. Moreover, it is challenging to determine, recognize, and record the value of brands in a company's financial accounts, which adds to the measurement of brand value issues. The brand top 100 rating lists from Interbrand and BrandZ for the year ending 2020 were specifically employed to accomplish the study's goal. Additionally, online sources such as databases were used to determine the book and market values of these brands. However, due to the data cleaning and missing some of the annual financial statements of these top 100 brands only 60 brands were used in the study sample. The SPSS and Excel were used in this research to find out the relationship between brand and firm value. After performing a quantitative analysis of the research sample, it was found that the brand value and the book value of the company had a stronger relationship with its market value. It could be because the internal brand value cannot be reported in the financial accounts under IAS 38. However, if the brand value could be tracked, it might enable third parties to obtain more accurate and dependable information about a company's financial standing, which will subsequently improve accounting accuracy.

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