



Research article

Using accounting measures of (in)tangibility for organizational classifications

Tiago Cardão-Pito¹, Julia A Smith^{2,*} and João da Silva Ferreira¹

¹ Lisboa School of Economics & Management, Universidade de Lisboa (University of Lisbon), Portugal

² Department of Accounting & Finance, University of Strathclyde Business School, Glasgow, Scotland

* **Correspondence:** Email: julia.smith@strath.ac.uk; Tel: +01414584958.

Supplementary

Appendix

Variables derived from the CRSP-Compustat Industrial Database.

Variable	Definition	Data mnemonics used at the CRSP-Compustat data base
<i>LOI</i>	General proxy for the Level of Operating Intangibility: [1 – (cost of goods sold + amortization and depreciation of fixed assets)/(total operating expenses)]	$[1 - (\text{data41} + \text{data14})/(\text{data12} - \text{data178})]$
<i>DEBTLEVERAGE</i>	Ratio of total debt to equity plus total debt	$[(\text{data9} + \text{data34})/(\text{data216} + \text{data9} + \text{data34})]$
<i>INTANGIBLE_ASSETS</i>	Ratio of intangible assets to total assets on the balance sheet	$[\text{data33}/\text{data6}]$
<i>SIZE</i>	SIZE is measured as the log of firm's sales, after sales values have been deflated by the consumer price index	$[\log(\text{data12} \{\text{after values have been deflated through the consumer price index}\})]$
<i>CAPEX_PPE</i>	Capital expenditure on property, plant & equipment, expressed as a fraction of total assets	$[\text{data30}/\text{data6}]$
<i>PROFITABILITY</i>	net income/total assets	$[\text{data172}/\text{data6}]$
<i>MARKET_TO_BOOK</i>	Market value of equity divided by book value of equity	$[(\text{data199} * \text{data25})/\text{data216}]$



AIMS Press

© 2021 the Author(s), licensee AIMS Press. This is an open access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>)