

## Abstract

Research and development is an inseparable part of technology industry as technology companies, unlike most, rely on R&D not only as means of efficiency improvement to existing production, but rather as means of production itself. This thesis presents an alternative approach to R&D intensity measure and applies it in an empirical analysis on technology leaders company data from 2013 through 2018 measuring R&D intensity impact on company market value. Additionally, this thesis explores the differences in impact of R&D on company value dependent on the company's product cycle nature. The results of this thesis are mostly conforming to existing academic literature and show diminishing returns to R&D intensity. A surprising negative effect of a variable comparing given company's R&D expenditures to ones of the segment leader of a given segment has been found. There has been found no lag difference between the groups of companies with open and closed cycle product development.

**JEL Classification** O31, O32, M21

**Keywords** research and development, technology, market value

**Title** Marginal Effect of R&D Expenditures on Value of Technology Companies