

# Putting a price on intangibles

In the world of marketing, word of mouth remains an important factor in attracting new interest, and available evidence shows that the same applies in the sphere of postgraduate studies.

“One of my friends, who had taken the CityU DBA, strongly recommended it to me as a valuable learning experience,” said Dr Victor Tian Wen, who went on to complete the programme between 2018 and 2022.

“As an accomplished finance professional, he told me about the knowledge he had accumulated and the all-round benefits, [and convinced me] the DBA was a good way to formalise the investment philosophy and insights I have gained through my career in fund management.”

In his thesis, Wen wanted to explain the value of internet firms in a meaningful way. To do that, he sought to extend and improve James Tobin’s Q theory by considering intangible assets and analysing capital market valuation, thereby developing a novel approach to the valuation of “new economy” companies in public markets.

As part of his research, Wen investigated the prominence of the winner-takes-all phenomenon in the new economy and the impact of different option pricing mechanisms. This turned up some interesting results about general market views and investor behaviour.

Along the way, it required in-depth data analysis, besides

close review of the latest literature in a fast-evolving field of study.

One result, though, is that Wen has been able to apply his findings in taking different investment positions using a “fund of funds” approach. He hopes the DBA will help to bring his thinking to the attention of China’s Ministry of Finance, which recently invited views on setting accounting standards for digital and intangible assets. And he has plans to link up with Hong Kong-based research partners to further explore how digital assets are changing financial systems.

“I would also like to create a new course or forum for CityU students or Fudan University MBA classes,” said Wen.

“I am confident that my findings in technology externality



**Victor Wen, graduate of CityU’s DBA programme.** Photo: City University of Hong Kong

and the concept of valuation of intangible assets beyond Tobin’s Q would be helpful for researchers and executives.”