

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master in International Business
Student:	Igor Petrov
Title of thesis:	Analysis of Efficiency of the Russian Stock Market

Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis. Justification of the topic choice; accuracy in defining the aim and tasks of the thesis; originality of the topic and the extent to which it was covered; alignment of the thesis' topic, aim and objectives.

His choice of topic the author proves the high scientific relevance of research of the of the financial market efficiency. The efficient market hypothesis (EMH) is one of the key concepts of finance; however, too few studies have been devoted to the study of the Russian stock market efficiency. In testing this theoretical concept the author formulated a number of more specific problems. The solution of these problems has allowed the author to draw some conclusions about the Russian market efficiency and provide important practical guidance to market participants and managers of large public companies.

Structure and logic of the text flow. Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.

The structure of the text flow corresponds to the sequence of tasks of the thesis. The presentation is logical, but not balanced by chapters. In my opinion, the author has paid little attention to analysis and discussion of the results. Therefore, the third chapter looks crumpled. Tables 5 and 6 should be moved to the third chapter.

Quality of analytical approach and quality of offered solution to the research objectives. Adequacy of objectives coverage; ability to formulate and convey the research problem; ability to offer options for its solution; application of the latest trends in relevant research are for the set objectives.

On the one hand, a variety of research objectives solved by the authors reduced the depth and thoroughness of the thesis. On the other hand, this set of objectives enabled the author to identify the inefficiencies of Russian stock market, and allowed to offer not only the answer to a scientific question, but also to give some practical advice.

In general, a scientific problem is formulated clearly. The author has considered various ways to identify market inefficiencies. As a result, the author used "the event study analysis" (ESA) as a research tool. This method is widely used in such research and it seems it is most appropriate to set the study objectives.

Quality of data gathering and description. Quality of selecting research tools and methods; data validity adequacy; adequacy of used data for chosen research tools and methods; completeness and relevance of the list of references.

The author has analyzed market data on stock prices of ten largest Russian companies over a period of several years. In addition, the author handled a lot of predictions about the changes in stock prices, made by analysts from major banks that provide brokerage services to its customers. Data used are reliable.

List of references in the thesis is long and full enough to conduct a comparative analysis of the behavior of the Russian stock market and the stock markets of other countries.

Scientific aspect of the thesis. Independent scientific thinking in solving the set problem/objectives; the extent to which the student contributed to selecting and justifying the research model (conceptual and/or quantitative), developing methodology/approach to set objectives.

The author refused to repeat well-known foreign research on Russian data. He simplified the classical method of event study analysis, but he has not sufficient evidence for this modification. It should be noted that such studies are not conducted in the Russian market earlier, and the ESA method is rarely used by Russian researchers due to its complexity.

Practical/applied nature of research. Extent to which the theoretical background is related to the international or Russian managerial practice; development of applied recommendations; justification and interpretation of the empirical/applied results.

The aim of thesis assumes rather research than applied project. However, the results of the present work are important both for potential investors in the securities market, as well as for managers of large public companies. Unfortunately, the author has paid little attention to economic and managerial interpretation of results.

Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.

The quality of thesis layout is high. The layout fulfils all the requirements of the Regulations on the preparation of a thesis. Links and references are designed correctly. Figures and Tables are signed. It should be noted that due to the negligence of the author's two figures have the same number.

The Master thesis "Analysis of Efficiency of the Russian Stock Market" of **Igor Petrov** meets the requirements for thesis of Master in International Business program thus the author of the thesis can be awarded the required degree.

Date 26.09.2011

Scientific Advisor: (*academic title, name*)



Ass. Prof. Vitaly L. Okulov