

REFEREE'S REVIEW

Program:	Master in International Business
Student:	Polina Popova
Title of thesis:	Improvement of procurement auctions' attractiveness in Russia for foreign companies by preventing opportunistic behavior: Experimental gaming approach

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.	5	4	3	2
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.	5	4	3	2
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.	5	4	3	2
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.	5	4	3	2
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.	5	4	3	2
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.	5	4	3	2
Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.	5	4	3	2

Each item above is evaluated on the following scale, as applicable: 5 = excellent, 4 = good, 3 = satisfactory, 2 = poor.

Additional comments:

Please, elaborate on the above mentioned criteria (about 500 words)

The thesis represents a well-written paper on mechanism design. Being popular among economist over the last two decades, the area lacks of attention among Russian specialists. The author picked one of the "hot" topics of the current debate on increasing efficiency of public procurement, namely auction design. The task of the auction design is twofold: minimize procurement price under given quality, and promote competition and attractiveness of entry in industry from which the government buys goods and services. The latter aspect is underestimated in current priorities of the government, but is crucial for securing price minimization and quality control in the long-run. The author put the emphasis on preventing opportunistic behavior that can contribute greatly to achieving this goal. The methodology of the thesis (game-theoretic approach) is common for the area.

Not being a specialist in game theory, the reviewer still wants to point that the thesis is focused on the initially problems set, covers relevant literature on the subject (the reviewer can't though assess its

completeness), and provide a good and reasonable discussion of the results. The modeling starts from simple cases, and adds limitations / assumptions along the way to reflect the behavior of auction participants under different designs. The most important result, from the reviewer point of view, is a demonstration that the presence of corruption leads to collusion as a stable equilibrium. The natural implications are to guarantee that the actioner is not corrupted and, at the same time, to develop competition among suppliers through increasing their number or slicing the bid into separate parts. The thesis is of practical interest in the current debate on improving the public sector procurement in Russia.

Master thesis of Polina Popova meets the requirements of Master in International Business program and deserves an excellent grade, thus the author can be given the desired degree.

September 25, 2011

Referee: *Associate Professor Igor Baranov*

A handwritten signature in black ink, appearing to read 'Igor Baranov', written in a cursive style.