REFEREE'S REVIEW

Program:	Master in Corporate Finance
Student:	Danil Stavskiy
Title of thesis:	THE EFFECT OF CREDIT RATING AGENCY ANNOUNCEMENTS ON RUSSIAN CORPORATE BOND 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.	5			
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.		4		
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.		4		
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			
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.		4		
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.		4		
Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.		4		

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

Additional comments:

The thesis is a well-done empirical project. The topic is interesting and important, especially from the practical viewpoint. The structure and logic of the text flow is in general very good. I have some concerns about the analytical approach used. While event studies have become a common method of analysis in financial studies, it is nevertheless important not to neglect the assumptions and potential issues in the analysis. In particular, I did not find any discussion of the distribution of returns (e.g., is their variance the same across firms? – this is important for computing the test statistic. Similarly, there is no info on the number of degrees of freedom for the t-statistic. The quality of data gathering is excellent. In particular, I very much like the detailed appendix of the rating upgrades. The scientific aspect of the thesis is good; my main worry here is the prevalence of rather old studies among those cited in the thesis (many from the 1970s and 1980s). The finding seem to be important from the practical viewpoint – they are definitely of value to the investor community. The layout is good in general, although there seems to be ways of tightening some sections. Overall, the Master thesis of Danil Stavskiy meets the requirements of Master in Corporate Finance program, and deserves a good grade, thus the author can be given the desired degree.

Date 23/09/2012

Referee: Asc. Prof. Alexander A. Muravyev, PhD