

REFEREE'S REVIEW

Program:	Corporate Finance
Student:	Boris Kaptelov
Title of thesis:	Influence of preferred source of R&D in the IT industry on the company market capitalization

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.	<u>5</u>	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	<u>4</u>	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.	<u>5</u>	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	<u>4</u>	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.	<u>5</u>	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.	<u>5</u>	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.	<u>5</u>	4	3	2

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

Additional comments:

The thesis under review examines influence of R&D source of company market capitalization in IT industry, specifically examining US market. The author gives a detailed review of the existing research on all related problems worldwide from estimation of company R&D expenses to measurement of company performance, and states that little research was made on the specific topic under investigation, while not mentioning any. The topic looks to be of high importance for all sectors, not only IT-related, which is fairly stated by the author, who suggests to broaden his research to other sectors in further research and apply the same methodology with little variations.

Overall the text is well structured, with reader-friendly layout and comprehensive explanations. Certain statements and assumptions made by the author still need additional explanation or justification, but they represent in most cases minor issues and have little impact on final results. Some assumptions about the structure of R&D, for example (M&A vs. internally developed R&D connected to new patents and developed technologies for companies that do not publish such information explicitly), or time period for data collection (10 years) lack justification, but still seem reasonable in the context of the thesis. However there is one omission in the structure which causes certain questions with respect to the research performed by the author: the assumptions, input data and conclusions are clear and understandable, but model mechanics are disclosed only in Appendix in table format, which leaves the reader with a feeling, that the research was much less profound that it really was.

Master thesis of **Boris Kaptelov** meets the requirements of Corporate Finance program, and deserves an “**excellent**” grade, thus the author can be given the desired degree.

Date 23.092012

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Asc. Professor

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