

## REFEREE'S REVIEW

<b>Program:</b>	Master in International Business
<b>Student:</b>	Ilya Lyubimov
<b>Title of thesis:</b>	Impact of Joint Venture, Merger and Acquisition Deals in Russia on Shareholders' Wealth in Foreign Companies

<b>Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis.</b> 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.				2
<b>Structure and logic of the text flow.</b> Logic of research; full scope of the thesis; alignment of thesis' structural parts, i.e. theoretical and empirical parts.			3	
<b>Quality of analytical approach and quality of offered solution to the research objectives.</b> 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.			3	
<b>Quality of data gathering and description.</b> 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.		4		
<b>Scientific aspect of the thesis.</b> 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.			3	
<b>Practical/applied nature of research.</b> 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.				2
<b>Quality of thesis layout.</b> 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:

#### **Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis.**

Introduction to thesis is written in a rather chaotic manner and vague notions. One can hardly understand the subject of research, its boundaries and focus. For instance, regarding the short-term / long-term perspective of undertaken analysis introduction contains absolutely contradictory statements like follows:

“...this paper will not be focused on the companies which seek short term profits, but on companies aiming

to make their presence lasting, and influence the economy in a long term.” (p.3);

“...as mentioned before, the aim of this paper is to obtain the results for companies willing to commit to a long-term presence;...” (p.4) –

in favour of the long-term analysis, which are mixed at the same page with the counterweighting assertions in favour of the short-term perspective of the study –

“Finally, the approach selected in this paper is heavily short term-centered.” (p.4);

“This paper is using a methodology focused on a short term impact of the deal announcement;...” (p.4);

Therefore, the research goal of the thesis which is formulated by the author as “to show how do announcements of Joint Venture, Merger and Acquisition deals with Russian companies affect shareholder wealth for foreign companies” appears uncertain and poorly formulated.

#### **Structure and logic of the text flow**

It is rather strange to find out description of the research goal and objectives in the middle of the thesis (paragraph 1.6 (pp.27-28)). The content of chapter 1 “Background overview and previous research” is weakly if at all related to the consecutive chapters (see chapter 3). Chapter 2 is devoted to the event study

methodology, but it does not describe the model of the research conducted by the author, it is the matter of chapter 3.

**Quality of analytical approach and quality of offered solution to the research objectives.**

The problem stated in a vague manner, thus, the goals and objectives of research look mostly far-fetched, the models and tools applied in empirical study do not reflect on specificity of having Joint Venture, Merger and Acquisition Deals in Russia. Not least important, that the author is mostly concerned with the “after announcement” effect of the deals which is superficial by its nature and does not reveal the factors due to which the CAP occurs.

**Quality of data gathering and description.**

The data collected does not provide an opportunity to figure out specific features of the wealth impact of Joint Venture, Merger and Acquisition Deals in Russia, since it is not compared internationally. The sample is too small to make a cross-industry analysis.

**Scientific aspect of the thesis.**

The scientific level of master thesis is remarkably low. It is mostly done as an exercise in estimating CAP for the sample collected. The reference to methodology of event study research is mostly decorative as well as other parts of the thesis which serve the purpose of creating the number of pages (the paragraphs on agency problem, for instance). The scientific level of the paper is best manifested by the fact that in paragraph 3.2 Key formulae and calculation methods description of the formulas are not complete they do not contain specification of the variables’ indices. In some cases there are not explained variables (A at p.42) and misprints in the formulas which are perceived as mistakes (see pp.40, 42).

There is no clear argumentation for using Dow Jones Index as a variable in proposed model. It looks inappropriate to the sample under investigation.

**Practical/applied nature of research.**

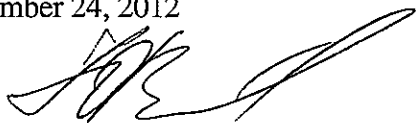
There is no international comparative analysis of Russian context of the stated problem. Moreover, the estimations in the study look as inappropriate because of the wealth variables employed in the study.

**Quality of thesis layout.**

There are many repetitions in the text, the formulas are copied from other sources as pictures and not completely described, some data looks excessive and does have low value for the research (see figures 1-2 in Appendix).

Master thesis of Ilya Lyubimov meets the requirements of Master in International Business program, and deserves a “satisfactory” grade, thus the author can be given the desired degree.

Date September 24, 2012



Referee: Associate Professor Yuri V.Fedotov