

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master in International Business
Student:	Filipp Skripachev
Title of thesis:	Stocks Liquidity and Price Differentials: a Study of Russian and Nordic Dual Stock Companies

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.

There is a broad range of studies exploring the relationship between various determinants of voting and non-voting shares price differential in dual class stocks companies. Among them are corporate governance characteristics and financial factors. Liquidity is proved to have an impact on the price difference, as it follows from previous studies. There are reputable publications based on Scandinavian companies. Russian companies with dual class shares structure are not well investigated in this respect. Thus the topic of the thesis is relevant. This paper contributes to existing studies on Russian dual class stocks companies, as well as to research of determinants of the price differential in Nordic countries companies. The research makes a theoretical contribution and provides managerial implications.

The goal of the research is stated clearly. This thesis studies the impact of liquidity on the voting premium in Nordic and Russian dual class stocks companies.

Objectives are consistent with the goal.

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 is logical in general. In chapter 1 the author provides an explanation of the nature of private benefits of control, voting premium and measurement issues. The second chapter deals with liquidity and other determinants of the voting premium. In chapter 3 the author provides his hypotheses and research design, describes the data. Chapter 4 contains regression analysis results and conclusions.

The literature review, presented in first two chapters, is quite thorough and used for hypotheses statement, choice of the methodology. In the second chapter analysis of different approaches to liquidity measurement is provided in order to substantiate the methods chosen for econometric analysis. Other factors that could impact the voting premium are also analyzed with reference to previous studies.

Critical remark: The author analyzes price difference between voting and non-voting shares, but from the beginning he starts to use the concept of private benefits of control, and further – voting premium as synonyms for the price differential. But private benefits are just one of the factors that could influence the price differential.

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.

Analytical approach is based on reputable publications on the topic, is substantiated by the author. The thesis has a research nature. Objectives are covered and fulfilled. Research questions and hypotheses are stated adequately. The author uses relevant methodology for testing hypotheses on the relationship between liquidity and price spread of two classes of shares.

Critical remark: Hypotheses stated deal not only with the liquidity but with other factors that influence the price spread (voting premium).

Quality of data collection 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 data are valid and represent companies traded on the Nordic stock exchange and Russian Stock Exchange for the period of 2007-2010. The number of observations is quite enough to apply the model chosen. The methodology, research tools and methods (regression analysis applied to panel data) are relevant for this research, processing the data collected. The list of references is adequate.

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 thesis is conducted independently, it has a research nature. The author applied existing methodology and developed it for this study to meet objectives set. The theoretical contribution is comparing of results obtained for Russian and Nordic companies. Empirical findings are explained and have references to existing studies.

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.

Empirical results are interpreted properly. Practical recommendations could be based on empirical findings, *but* managerial implications are not explained clearly by the author.

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

The layout of the thesis meets the requirements for master thesis preparation.

The Master thesis of Filipp Skripachev meets the requirements for master thesis of MCF program thus the author of the thesis can be awarded the required degree.

Date
15.06.2012

Scientific Advisor:
Asc. Prof. Yulia Ilina

