

## REFEREE'S REVIEW

<b>Program:</b>	Master in International Business
<b>Student:</b>	Mikhail Pleshakov
<b>Title of thesis:</b>	The study of relation between fundamental value and market capitalization of companies in the telecommunication industry during the period of economic crisis

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

Nowadays one of the most actual topic is company's value creation. There exist different approaches concerning evaluation of company's value. In the work two main approaches are applied – Discounting Cash Flow method and Residual Income Model.

The main goal of the paper is to investigate the relation between fundamental value and market capitalization of companies in the telecommunication industry during the period of economic crisis.

The structure of the work is the following: introduction, 3 chapters, conclusion, list of references and appendixes. There is a link between all the above-mentioned parts. Theoretical part could have been worked out deeper from the point of view of analysis.

The work can be divided into two main parts – theoretical and practical. The theoretical part should have been extended by description of Value-Based-Management and general description of all approaches for company's evaluation (not just DCFM and REM model).

For the purposes of the research a sample of 45 companies from telecommunication services sector according to Global Industry Classification Standard (GICS) is used. The chosen companies were traded on New York Stock Exchange (NYSE) and National Association of Securities Dealers Automated Quotations (NASDAQ) during the period of 2005-2010 (overall 270 firm-year observations). Accrual realizations are numbers published in annual reports obtained using COMPUSTAT.

The econometric and financial analyses are the main methods used for implementing the research. Both methods are applicable to achieve the main goal of the research. The author does not include any specific factors related to telecom industry. The managerial implications could have been improved if this was done.

There are some misprints in the work.

Abbreviation of “millions” that is used in the work is not common (see p. 24).

The results of the empirical research are represented not in a very clear way (p-value, F- and t-statistics are not represented) that doesn't enable to make the proper conclusions concerning the results obtained.

Master thesis of Mikhail Pleshakov meets requirements of MIB program, and deserves a "good" grade, thus the author can be given the desired degree.

Referee:



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