

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master in Corporate Finance
Student:	Denis Shevyakov
Title of thesis:	Board of Directors and Financial Performance: the Study of Russian Traded 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.

The board structure and composition in its relationship with a firm performance is a subject of many academic publications as well as disputes in professional journals. It is proved by previous studies that such characteristics of the board as the age, gender diversity, independence, multiple directorships, ownership stake, impact the firm's performance results. There are fewer studies on the link between board characteristics and financial performance in Russian companies. Thus the topic of the thesis is relevant. This paper contributes to existing studies on Russian boards, exploring the issue based on the sample of large Russian traded companies representing various industries. The research makes a theoretical contribution and provides managerial implications.

The goal of the research is stated clearly. 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 and consistent with the structure of academic research paper. Author starts with the literature review on theories of the board roles and performance, board characteristics, specifics of Russian boards. The literature review is accompanied by the hypotheses stated by the author. The following part is devoted to the empirical study, where the methodology, data description, estimation results and discussion are presented. Conclusions on theoretical contribution, practical and managerial implications are provided.

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.

The thesis has a research nature and contains practical implications. The quality of the thesis content could be evaluated as high. Objectives are covered and fulfilled thoroughly. Research questions and hypotheses are stated adequately. The author uses relevant methodology for testing hypotheses on the relationship between various board characteristics and firm's performance results, measured by accounting-based and market-based ratios. Objectives, hypotheses, methodology are consistent with those used in reputable publications on the topic. The literature review is rather thorough and used for hypotheses statement, choice of the methodology. The author generalized and made conclusions on the contribution of different theories on the board of directors' roles. Therefore the quality of analytical approach could be evaluated as high. The author applied relevant research results in order to achieve the goal of the study.

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 methodology, research tools and methods (regression analysis applied to panel data) are relevant for this research, processing the data collected. Data are valid, reliable, and relevant. The list of references is adequate; the author used relevant publications in this area.

The limitation of the empirical study is the number of companies in the sample (25). But the

author's choice was to focus on the largest publicly traded companies in Russia. The data were gathered and processed for the period of 2005-2010.

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 methodology used in existing studies on the link between board of directors and firm performance, developed it for this study to meet objectives set. The theoretical contribution is results, which could be extended to emerging markets companies, both large and medium-sized. The author obtained empirical results on the link between the equity holdings, multiple directorships and financial performance. 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.

Theoretical background is related to the practice of Russian public companies, conclusions made could be extended to other emerging markets companies. Empirical results are interpreted properly. Practical recommendations are based on empirical findings.

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 layout of tables, figures, references is correct.

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

Date
10.06.2012

Scientific Advisor:
Asc. Prof. Yulia Ilina