

REFEREE'S REVIEW

Program:	MCF
Student:	Konstantin S. Nefedov
Title of thesis:	Ownership Structure and Board of Directors: Evidence from Scandinavian 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.			3	
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.			3	
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.			3	
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.		4		
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.			3	
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.		4		
Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.			3	

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

Additional comments:

This is a thesis that has an interesting and intriguing title. Indeed, corporate governance in Scandinavia has a number of features that make it a good testing ground for a bunch of theoretical predictions concerning the effect of ownership structure and board of directors on company performance, etc. The thesis provides a detailed overview of corporate governance in Scandinavia and then tests, based on data from Scandinavian companies, a particular aspect of corporate governance, namely, the use of independent directors in corporate boards. Among the key findings is the strong association between the share of independent directors and company ownership structure, which is examined by the author along several dimensions. Being an original work, the thesis has a certain value added. However, it also has a number of serious weaknesses which are discussed below.

First of all, the language of the thesis could have been improved. Some parts of the thesis are hard to read. This is primarily reflected in the omission of articles, constructions like "there found" (e.g., p. 7: "However, there found various classifications of external and internal mechanisms of corporate governance"), very long sentences which are very hard to digest (e.g., p.8, section 1.1.1, second sentence), and some spelling mistakes ("as a key characteristic of board is directors", p.5). I am also very much annoyed with the term "researches" (e.g., "previous researches", "actual research") – why not use "studies" instead?

From the substantive viewpoint, I do not quite agree with the large weight given by the author to the discussion of national models of corporate governance – this topic is not directly related to the title and empirical analysis conducted. On p. 7 we even learn about the "Scandinavian **national** model of corporate governance" (is there a Scandinavian nation?) although later on in the text there is a clear distinction between Denmark, Norway, and Sweden. There is a lot of interesting information here (and the author has

done a great job collecting and summarizing it!), but this part of the thesis is way too long. Large parts of the first two chapters could have been easily dropped from the thesis.

The flow and logics could have been improved. For example, the concept of independent directors is introduced on p.9, but the definition is given on p.11 only.

There are issues with references. For example, the text refers to Sinani 2003 and Sinani 2008 (e.g., pp. 13 and 15) although the reference list contains only Sinani et al. (2008). A part of the text on p.12 (paragraph starting with "If firms compose their boards optimally...") closely follows the text in the paper by Knut Nugaard (2011) "Forced board changes: Evidence from Norway", but this paper is not cited on p.12 and does not appear in the reference list.

There are some issues in the empirical analysis, too. For example, the turning point in the estimated effect of ownership concentration is at minus 0.54% ownership, which is below zero, so it means that there is no U-shaped relationship, but rather a non-linear monotonically decreasing relationship between ownership concentration and the share of independent directors.

Overall, the author has spent considerable time and effort in collecting and analyzing the data and writing the text, but the thesis could have definitely delivered more. The author's work deserves a passing grade, but I have doubts concerning whether it can be graded higher than just satisfactory.

Master thesis of Konstantin S. Nefedov meets the requirements of MCF program, and deserves a satisfactory grade, thus the author can be given the desired degree.

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Referee: Asc. Prof. Alexander A. Muravyev, PhD

