

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master of Corporate Finance
Student:	Maxim Sagaidak
Title of thesis:	Incorporating default fees in capital structure modelling

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)

Due to the long debate about optimal capital structure, the topic is very relevant for financial and managerial research. The topic is original and the coverage is accurate

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 text is well structured. First the chosen topic is justified, then a model with a solution is provided and, finally, the student shows empirical relevance of the model. I believe that the empirical findings were not accurately analysed. It seems that the student got interesting results confirming model prediction, however, did not have time to describe them properly.

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 student used adequate tools to solve for most of the objectives. The student used Matlab programs to set up and solve the model. The student showed that he mastered advanced programming technique. The last objective, i.e., checking the results on the empirical data, was done very superficially

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.

The data is adequate for the selected goal.

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.

I believe that the thesis is a contribution to contemporary literature on the capital structure. A novelty was introduced in setting up the model (incorporating default fees) and estimating various parameters (e.g. the estimation of the cost of debt).

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.

The choice of capital structure is a relevant question to both international and Russian managerial practice.

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

Thesis layout meets the requirements

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

Date

6/15/2015

Scientific Advisor: *(academic title, name)*



Victor Archavki, PhD