

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master in Corporate Finance
Student:	Aleksei Iakimov
Title of thesis:	Stock Price Reaction to Adoption of International Financial Reporting Standards in Russia

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.

Effects of the IFRS adoption is a relevant and relatively well researched internationally topic, as the standards have been adopted by now in more than 120 countries. The scope and objectives of the thesis are clearly defined in the text. The relevant effects in Russia have been relatively less studied in the literature.

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.

As the text of the thesis is mostly new, the structure could be improved on. In particular, (i) hypotheses are introduced in the introduction without any motivation (even though I have suggested to the student that each hypothesis required a justification); (ii) the thesis conclusion is mostly a summary of the thesis.

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.

Two methodological approaches were adopted: event study and Diff-in-diff analysis. This forms a good methodological basis for testing the identified hypotheses.

The event study is reported only for events in 2004. The DiD results are reported only for the later dates. The latter is unavoidable (there is no control group for earlier events). However, the former is a conscious choice made by the student. Having two sets of empirical results to report for the same events is more challenging. I advised against dropping the results.

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.

A significant portion of the data was hand collected. I makes its quality hard to verify.

The thesis studies listed firms only. Listed firms have stringent reporting requirements. Yet, most listed firms are not in the collected sample. It is theoretically possible that all those firms choose to violate reporting requirements. However, it seems more likely that the rate of non-compliance is much lower than what would appear based on the thesis.

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 student worked generally independently on the event study.

I suggested the DiD analysis and provided the student with a fair amount of advice.

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 thesis offers weak/not well developed recommendations and managerial practice links and applications. While certain statements to this effect are made in the conclusion, they are overly general. For example, "Third, management of audit and accounting consulting companies may increase their cooperation with the government regulator and use the results of the thesis to determine the scope of projects and negotiate amount of fees." However, both the thesis topic and its content have nothing to do with pricing of auditing services.

The discussion of the distinction between "label" and "serious" adopters is not supported by analysis

done in the thesis. Are any/all adopters in the data “serious”?

Becoming a “label” adopter presumably comes with little or no transaction cost. If that is an option, how can one justify a negative effect of the reform?

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

There is a number of linguistic flaws in the thesis.

The text generally conforms to international standards. However, (i) table titles are typeset in a 9pt font and (ii) some references are mentioned without the year, e.g. “Bruggemann et al. describes” and “Joos and Leung expect”

The Master thesis of Mr. Iakimov meets the requirements for master thesis of Master in Corporate Finance program. Thus, the author of the thesis can be awarded the degree.

Date

June 14, 2015

Scientific Advisor: *(academic title, name)*

Barbara Bukhvalova

PhD in Business Administration

