

REFEREE'S REVIEW

Program:	Master in International Business
Student:	Philipp Malik
Title of thesis:	Role of Intangible Assets, Book Value of Equity and Residual Income in Value Creation – Evidence of companies in BRIC countries

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.	5	<u>4</u>	3	2
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.	5	<u>4</u>	3	2
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.	5	<u>4</u>	3	2
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.	5	4	<u>3</u>	2
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.	5	<u>4</u>	3	2
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.	5	<u>4</u>	3	2
Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.	5	<u>4</u>	3	2

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

Additional comments:

The master thesis is devoted to a very actual topic of Intellectual capital valuation and the influence of different fundamental factors on company's market value. The goal of the master thesis is to figure out the presence of impact by Book Value of Equity, Residual Income and the Value of Intangible Assets on Market Capitalization in BRIC countries. The goal is clearly stated. When it comes to the set tasks, nothing is said about literature analysis and identifying theoretical concepts what is vital for this kind of research. The text is structured, but there is not enough author's point of view on different analyzed issues (especially on defining the concepts of Intangible assets and Intellectual capital). The theoretical part provides the necessary background for the further empirical research. The empirical research is held on the data of companies from four countries. The panel data is analyzed with the use of the following tests:

- 1) Wald Test
- 2) Breusch and Pagan Test
- 3) Hausman Test

The hypothesis provided on p. 27 should be reformulated and it is not clear why the author writes about the first hypothesis on p.14 while analyzing literature. The formulation of hypothesis 1 on p.14 is different from the one on p.27.

Different signs for Required rate on capital are used on p.5 and 7.

For the total sample only seven companies were selected in each country from three different industries. Four of them are from utilities industry, two from telecommunication industry and one from FMCG. This is the main limitation of the study as it is not possible to use the obtained results neither for the industries, nor for the countries in general. The managerial application is not well developed and it is not clearly stated what a manager can do in order to increase market capitalization of a company on the base of the obtained results.

The obtained financial statements of the companies together with prices of shares were taken from Bloomberg Database. So the data is relevant and valid for the research. For the empirical analysis an econometric model is analyzed. It is not stated for what period of time V_t in the model (15) is taken as all the other variables are takes for a certain period of time (t or t-1).

While providing the results of the econometric analysis the author does not start with significance of the model in general, but writes about significance of separate variables.

There are misprints in the master thesis.

Master thesis of Philipp Malik meets the requirements of Master in International Business program, and deserves a good grade, thus the author can be given the desired degree.

Date: 16.06.2011

Referee:

Candidate Degree in Economics

Senior Lecturer,

Tatiana A. Garanina

A handwritten signature in black ink, appearing to be 'T.A. Garanina', written in a cursive style.