REFEREE'S REVIEW

Program:	Master in Corporate Finance
Student:	Alina Nizamieva
Title of thesis:	Comparative Analysis of Dividend Policies of American and British 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.		4		
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			
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.		4		
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			
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.		4		
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.	5			

Each item above is evaluated on the following scale, as applicable: 5 = the thesis meets all the requirements, 4 = the thesis meets almost all the requirements, 3 = a lot of the requirements are not met in the thesis, 2 = the thesis does not meet the requirements.

Additional comments:

The topic justification and alignment of aim and objectives is elaborately discussed in the introduction and in the first chapter. However, from practical standpoint the urge to compare the dividend policies of American and British companies is not explained in the research.

There is a balance between theoretical and empirical parts. The paper answers the raised questions in the introduction about dividend payouts. Most of hypothesizes are checked in the empirical part and are based on the trends and issues covered about dividend payout policies in the recent studies. However, the forth and the fifth hypothesizes (how working capital and cash flow affect dividend payout ratio) are not verified in the empirical part.

The choice of the data is reasonably determined. The data is leveled and adjusted for multicollinearity.

The author conducted thorough research to determine the suitable model specifications. The paper can be qualified as an average multifactor regression research. The author makes a contribution to current studies on dividends' drivers by verifying how R&D expenses affect the dividend payout ratio. However, there are several mistakes in the interpretation of the regression results: 1) the final regression model for UK companies is not correctly stated since the omitting of insignificant variables is statistically erroneous, the new regression with significant variables should be run to obtain correct coefficients to plug in the model equation (formula 3, p. 34); 2) the same with the final regression model for US companies (formula 4, p. 34); 3) and again the same with the final regression model for Dividend Aristocrats (formula 5, p. 36). Moreover, the subtraction of the variable "bottom line" from net income in the denominator of the payout ratio, the dependent variable, seems unclear and confusing, perhaps, it is a misprint (formula 1, p. 13 and

table 1, p. 29). In addition, the choice of variables included in the regression for Dividend Aristocrats is not explained in the paper, for instance, age and industry are omitted.

The managerial application of the paper is ambiguous. The author has reached a well-known for investors and top-management conclusion about key factors that trigger the current payout ratio: previous payout and net income affect the current payout. Therefore, there are no groundbreaking insights in the paper for the potential application. Nevertheless, the author raises an uncommon question about influence of R&D on the payout ratio and given unpredictable results in the paper it indeed makes the R&D factor an interesting field to further investigate and take into account.

The layout of the thesis fulfils the requirements.

Master thesis of Alina Nizamieva meets the requirements of the Master in Corporate Finance program, and according to the reviewer's opinion deserves a "good (C)" grade, thus the author can be given the desired degree.

Date: June 8, 2017

Referee: Master, Aleksandra Shmitt