

SCIENTIFIC ADVISOR'S REFERENCE

Program:	Master in Corporate Finance
Student:	Kristina Tsoi
Title of thesis:	Multiple directorship and public companies' performance 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.

Master thesis of Kristina Tsoi is devoted to identification of the relationship between directors' busyness and company performance. The topic of master thesis is definitely relevant and can be justified by an increasing attention from regulators as well as academic researchers across the world to the phenomenon of multiple directorship. The ambiguity of the research results and existence of contradicting theories on effect of multiple directorship indicate that companies have to explore carefully whether directors' busyness can bring value or detriment financial performance.

The purpose of the thesis was to explore characteristics of the board of directors and CEOs that are associated with the company financial performance, the size of the premium and probability of overpayment. The research goal set by Kristina Tsoi was to determine the relationship between the multiple directorship of the CEO and board of directors and financial performance of public companies in Russia.

In order to achieve the research goal, the student met the following objectives: briefly investigated theoretical concepts of corporate governance, analyzed theoretical approaches to financial performance measurement and reviewed contemporary research on the effect of multiple directorship on companies' outcomes. Furthermore, for the purpose of the study, the student conducted econometric analysis.

Goals of the econometric analysis were to identify the relationship between busyness of the CEO and financial performance measured by both market-based and accounting-based indicators; the relationship between board of directors' busyness and company results indicated by operating and market performance.

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 structure of the thesis is the following: introduction, three chapters, conclusion and references. In the first chapter, Kristina Tsoi analyzed the principles of corporate governance, investigated functions of the board of directors and CEOs, briefly outlined specifics of corporate governance in Russia and reviewed former research on effect of multiple directorship on company performance. In the second chapter student considered different approaches to the measurement of company financial performance and identified the most appropriate measures regarding the nature of the research question and previous studies on the topic. The structure of the thesis is logical with a tight link between the theoretical part and empirical research: the methodology and structure of the empirical part is built on the theoretical framework and findings of the recent papers, covered in the first and second chapter. Scope of the thesis is full and coherent.

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.

In her thesis, Kristina Tsoi covered all the objectives set and, hence, achieved the research goal of the paper. The methodology applied by the student is in line with theoretical concepts of contemporary academic literature. The conducted analysis and interpretation of findings demonstrate high level of analytical skills of the student.

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.

<p>The applied methodology – econometric analysis is clearly relevant for conducted research and achievement of the research goal. The data sample used by the author is definitely adequate and relevant for the stated research problem. The list of references and literature review are complete and coherent, along with review of classical concepts, the student provides a comprehensive analysis of contemporary literature.</p>
<p>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.</p>
<p>The thesis is completed independently. Based on the existing methodology the author investigated the relationship between financial performance of public companies in Russia and busyness of the board of directors and CEOs. Findings of Kristina Tsoi are valuable for understanding of the character of the relationship. Limited number of studies related to the analysis of multiple directorship on Russian market and ambiguity of findings across different countries allowed the author to reach novel and practically valuable conclusions.</p>
<p>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.</p>
<p>The econometric analysis was conducted on the sample of Russian public companies listed on Moscow Stock Exchange from 2014 to 2016 (total of 227 company-year observations). Kristina Tsoi justified and interpreted all the findings of econometric analysis. The student concluded that busyness of board of directors and CEO is differently associated with company outcomes. More specifically, multiple appointments of directors are negatively associated with company operating performance, whereas, multiple directorship of CEO has a positive relation with market performance of the company. Based on the findings of the empirical analysis, the student developed a set of practical recommendations, which could help companies to determine optimal board structure and set recommendations regarding multiple appointments of their directors and CEOs. Moreover, policymakers may consider results of the analysis as a framework for future corporate governance guidance improvement.</p>
<p>Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.</p>
<p>The layout of the thesis fulfils all the official requirements of Regulation for master thesis preparation and defense. The layout of tables, figures and references is correct.</p>
<p>Originality of the text. All sources of match identified by the Safe Assign system follow the allowed cases, the paper does not contain any elements of plagiarism.</p>
<p>The thesis text is original and does not contain elements of plagiarism.</p>

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

Date

4.06.2017

Scientific Advisor:

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