

## REFEREE'S REVIEW

<b>Program:</b>	Mater in Corporate Finance
<b>Student:</b>	Kristina Tsoy
<b>Title of thesis:</b>	Multiple Directorship and Public Companies' Performance in Russia

<b>Justification of the topic choice. Accuracy in defining the aim and objectives of the thesis.</b> 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.	<u>5</u>	4	3	2
<b>Structure and logic of the text flow.</b> 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
<b>Quality of analytical approach and quality of offered solution to the research objectives.</b> 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.	<u>5</u>	4	3	2
<b>Quality of data gathering and description.</b> 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	<u>4</u>	3	2
<b>Scientific aspect of the thesis.</b> 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
<b>Practical/applied nature of research.</b> 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.	<u>5</u>	4	3	2
<b>Quality of thesis layout.</b> 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 = 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:

#### Strengths:

- The topic, aim and objectives of the study are clearly stated and mutually aligned. The research has empirical conclusions that are applicable in general practice and in Russian management especially. The author gives clear recommendations based on the results of the study and supported by the findings from the theoretical review. The relevance of the research is proved by the fact that its topic has been in focus of the corporate governance studies recently.
- The research design and methodology fit its academic purposes and take into account the findings of similar studies as well as the specifics of the national market. The choice of applied research model and methodology is supported by substantial literature review with references to related papers. The research problem is clearly formulated and matched with a set of hypotheses. The study includes the analysis of the model variables and their specifics, including explanation of which approaches were found applicable and which had to be rejected.
- The research is clearly structured with a sequence of chapters following the logic of the study. Each theoretical concept applied in the empirical part of the study, including the ones on corporate governance and on corporate performance measures, is revealed in a separate chapter. The structure of the empirical part conforms to the academic standards. The paper is formatted in a way that fits conventional requirements and is easy to read. The references are clearly outlined and correctly presented.



## Weaknesses:

- Certain inconsistencies can be found in the description of the variables:
  - *Table 2. Summary on variables description* lists the following independent variables of the  $Busy_{i,t}$  vector: *busyceo*, *pbdir*, *avbusyd*, and *busyboard* and the following independent variables of the  $BD_{i,t}$ : *BDSIZE*, *DIRAGE*, *POD*. This does not match the list of variables in *Table 3. Descriptive statistics*: *avbusy* and *maxdir* as busyness variables and *bdsiz*, *outdir* and *dirage* as board composition variables. The variables *avbusy*, *maxdir* and *outdir* are not mentioned anywhere else in the document.
  - While *Table 2. Summary on variables description* describes the *AGE* variable as the natural logarithm of the company age and the *SIZE* variable as the natural logarithm of the total assets, *Table 3. Descriptive statistics* provides numbers corresponding to the age and size themselves, not to their logarithms.
  - The author is inconsistent in her approach to the characteristics of the board composition, which are at times called control variables and are treated as such but are not included in the *Controls* vector.
- Some aspects of the sample design are unclear:
  - While the model is based on company-year observations, it is mentioned that “Data on the financial and economic state of companies, as well as the characteristics of the board directors were obtained based on <...> quarterly reports of the companies”. It is not specified in the paper how quarterly data is converted into yearly observations, which is especially ambiguous when it comes to binary variables that might take on value of 0 in one quarter and 1 in another within the same year and cannot be simply averaged.
  - While it is said that following Cashman et al. (2012), Pandey et al. (2014), and Chou et al. (2013) the author applies “one-year lagged values for the variables in the right-hand side of all model specifications”, it appears from *Figure 4. Sample collection process* that both for dependent and independent variables the observations match the same period of 2014-2016.
  - According to *Table 6. Results of the regression analysis for ROA* and *Table 7. Results of the regression analysis for Tobin's Q* the models were built on 178 and 174 observations correspondingly, while it is mentioned several times that “the total sample is represented by 227 company-year observations”. The reason for decrease in the sample size is not explained.
- One can notice minor imperfections of the formatting, such as inconsistent fonts (e.g. in *Figure 1. Interaction of the participants of corporate governance*, *Table 2. Summary on variables description*, *Figure 3. Industry distribution of the companies from the sample*), colours (e.g. *Figure 4. Sample collection process*) and units (e.g. *Figure 5. Changes in ROA* vs *Figure 7. Distribution of average ROA among industries*), as well as a certain number of mistypes.

Master thesis of Kristina Tsoy meets the requirements of the Master in Corporate Finance program, and according to the reviewer's opinion deserves a/an “good (B)” grade, thus the author can be given the desired degree.

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Referee: Anastasia Rubashkina, Master in International Business, Master in International Management