

REFeree'S REVIEW

Program:	Master in Corporate Finance
Student:	Kamila Shaidullina
Title of thesis:	Modelling of sequel production in the American movie industry

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			
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.		4		
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.			3	
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			
Quality of thesis layout. Layout fulfils the requirements of the Regulations for master thesis preparation and defense, correct layout of tables, figures, references.		4		

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 goal of the paper perfectly meets the research title, the objectives are clearly stated and supports the achievements of the main goal. The choice of the topic is justified by the author.

The paper is very well structured. The conclusions after each part simplify the reading. There is a clear interconnection between the theoretical background, empirical research and simulation provided in the paper.

All the research objectives were achieved by the author. The tools used are supported by the literature overview. However the research lacks the deeper test of the developed model validity.

Sample selection process is described in a very detailed way. Although the gathered data to build regression model is sufficient, the selected sample for simulation performance seems to be too small (13 films). Surprisingly to perform simulation of sequels production the author uses the movies which have small number of sequels released (out of 13 movies sampled 1 had three sequels as simulated, 1 has two sequels out of three simulated, 3 have only one sequel out of three simulated, 8 have no released sequels at all). The lack of real data of sequels success makes the model testing difficult.

The hypotheses which were stated on page 21 were not fully checked. The first one considering the possibility of modelling of the determinants of box office performance was not proven as the author does not provide any background for the formula simulating random Number of reviews distribution. The second hypothesis considering the predictive power estimation of the built model was not accurately checked just

due to the lack of information: case by case comparison of the predicted vs actual sequels revenues fails to prove statistical significance of the model accuracy. Moreover the dataset is highly restricted to small number of sequels actually produced.

The regression model shown on page 31 also raises questions regarding the meaning of coefficient for “crime” variable. It seems to be a little bit naïve to leave the only one genre in the regression model. The obtained result can be interpreted as follows: taking all other equal filming the crimes will bring 8 billion of additional profit. This finding can be researched separately.

Nonetheless the author brings a very helpful research results for the management decision making: the key performance indicators for a movie were derived and the attempt to simulate the sequels value has been made. The absence of the model validity test decreases the value of the performed work but all in all the paper deserves attention.

As for the thesis layout the overall impression is good. The references in the text to the figures/ tables are sometimes omitted and at page 22 after the formula the definition of another dependent variable is provided (size of premium paid instead of First Weekend box office), but I suppose it is a typo.

Master thesis of Kamila Shaidullina 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.

Date: 08.06.2017

Referee: *Master of corporate finance, Ekaterina Vorobeva*