

## SCIENTIFIC ADVISOR'S REFERENCE

<b>Program:</b>	Master in International Business
<b>Student:</b>	Trofimova Elena
<b>Title of thesis:</b>	Investor Relations and Cost of Capital in Financial Companies: Evidence from European 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.

Communication between companies and financial community becomes one of the central planks in companies' corporate strategies, and this issue led to the development of Investor Relations. Financial companies has received extensive criticism for underdeveloped IR functions and limited disclosure, i.e. the aim of the research is to analyze the relationship between IR and cost of capital (as a measure of company's performance) in financial companies. The topic can be considered original because of its underdevelopment in existing literature.

**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 research has very clear logic – defining in the first chapter the notion of IR and peculiarities of IR in financial companies, the author develops the model which is used to estimate necessity of IR in these companies. Empirical parts are well designed according to the theoretical background developed in the research.

Second chapter follows the evolution of methodology for empirical studies that help formulate the relationship between IR and cost of capital in a quantifiable manner. Consequently, this relationship is tested on a selected sample, and the results and their implications, as well as limitations of the study, are discussed in the same chapter.

**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.

The research applies modern trends of corresponding research in the similar area. The author provides deep literature review based on more than 90 sources.

**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.

Data gathering is done on the basis of publicly available information on European financial companies. The data seems to be valid for chosen research tools – the author analyses sample of listed European companies from financial sector

**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.

The model, developed in the study, was created by the author on the basis of the analysis of different approaches to the analysis of the role of IR for different companies. The main contribution of the study is that of the choice of financial companies as the object of the research and creation of the valid theoretical and empirical investigation of the question.

**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.

The theoretical background is tightly related to the international managerial practices, and interpretation of the empirical results can be assessed to be of high validity.

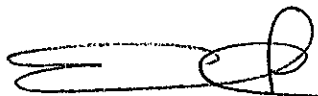
**Quality of thesis layout.** Layout fulfils the requirements of the Regulations for master thesis preparation and defence, correct layout of tables, figures, references.

Layout fulfils the requirements of the Regulations for master thesis preparation and defence

The Master thesis of Trofimova Elena meets the requirements for master thesis of Master in International Business program thus the author of the thesis can be awarded the required degree.

Date 15.06.2011

Scientific Advisor:



Senior lecturer, Sokolova Ekaterina