

REFEREE'S REVIEW

Program:	Master in International Business Program
Student:	Elena Trofimova
Title of thesis:	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.	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.	5			
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.	5			
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 = excellent, 4 = good, 3 = satisfactory, 2 = poor.

Additional comments:

Investor Relations (IR) is one of the most interesting and challenging topics in the corporate governance studies. It especially evident, when it comes to the investigation of the relation between IR practices and company's performance. Despite the significant growth of IR studies in recent years, little attention has been paid to the analysis of the relationship between IR and cost of capital in financial sector. Therefore the research aim set by the author formulated as "proving the necessity of proactive IR for financial companies through the influence of IR on the cost of capital" can be considered as nontrivial.

The author has precisely defined the terms and concepts used in the research from the very beginning, formulated clear research objectives and relevant hypothesis. The thesis has precise and logic structure and looks like completed research. The general style of the research and its contents emphasizes high interest of the author to an investigated problem.

The paper is characterized with competent style of a statement, a practical orientation and strongly research character. The author has also demonstrated the creative, original approach to an investigated problem. The methodology of the research is based on the different approaches to the analysis of the impact of IR on the cost of capital including the adaptation of the methodology developed by Ly Cosan.

The literature review, presented by the author is comprehensive that proves that the author has made a lot of theoretical work.

The statistical model, developed by the author and applied in the empirical part of the study to a sample of European financial companies, has proved to be relevant and valid. The results of empirical study are clearly and accurately interpreted in the text. The empirical study enabled the author to develop several general recommendations which can be used by financial companies. Nevertheless the applicability of the results could have been improved through more detailed analysis of IR practices and their techniques in terms of their impact on companies' performance.

The layout of the thesis absolutely fulfils the requirements of the Regulations for master thesis preparation and defense. The high quality of English is also worth mentioned.

Master thesis of Elena Trofimova meets the requirements of MIB program, and deserves an “excellent” grade, thus the author can be given the desired degree.

Date 15.06.2011

Referee: *Senior Lecturer, Anastasia A. Golubeva*

A handwritten signature in black ink, appearing to read 'A. Golubeva', written in a cursive style.