

**Postgraduate student:**      **Do Thi Thanh Nhan**

**Thesis:**                              **Cash Holding, Corporate Governance Mechanisms and Firm Value in Transition Economies: A Study of Listed Corporations in Vietnam**

**Opponent:**                              **Juraj Sipko**

### **1. The aim of the thesis**

The topic of the thesis holds importance in current events in the Vietnamese development of the capital market.

The author describes the main goal of the thesis:

*To find out the impact of corporate governance mechanisms on the corporate cash holding in order to improve firm value in the Vietnamese economy.*

For the verification of the main goal, author set up four research questions, seven partial goals and six hypotheses. To fulfill the main goal, the author in the dissertation provides reliable research, based on correct data, correct theoretical frameworks and reliable research methods.

**Based on the presented results, I would like to confirm that the author fulfilled the main goal.**

### **2. Applicability of methods and methodology**

In the thesis, various types of methods were applied: logical-historical, analytical synthesis, quantitative analysis, but in particular, the comparative methods.

The thesis presents very important analytical conclusions regarding what brought about the present level of corporate governance mechanisms and the relationship between the various structures of the ownerships.

In the dissertation various quantitative methods are used, in particular, the generalized methods of moments, including the regression analysis. Here, there might be a question regarding the selection of variables related to the incentive system in state companies in which **the government might interfere in comparison with the corporate companies that are oriented for maximizing profit.**

### **3. Analytical approach**

I highly appreciate the analytical approach used in the thesis. The analytical part is a good example of the thesis.

However, since there are differences between both types of ownerships to some extent, it is not easy to assess these differences and there is a question of the correct selected different variables.

For the comprehensive assessment of this topic, the data for a longer time period would be needed.

**It will be very interesting to know which of these companies are oriented for the foreign markets versus for the domestic markets.**

#### **4. Scientific contribution and originality of the work**

The main contribution of the thesis is a relatively comprehensive analysis of two types of ownerships related to cash holding (working capital) in the Vietnamese economy.

In line with the title of the thesis, the key contribution of the work is what we can learn from past development and what should be done in the present stage of development, as well as for the future development in terms of cash holding, including corporate governance of corporations listed on the Vietnamese stock exchanges.

**At this stage of the analysis, it might be noted that the presented results are considered an original work on this topic.**

#### **5. Thesis and its outcome for research and education**

Despite the complexity of the presented topic and the dynamic development in this area of research, the thesis will create a solid base useful for future comprehensive research in the development of the capital markets in the Vietnamese economy as well as corporates with different ownership structures.

**The outcome of the thesis would be useful for the Vietnamese authorities pedagogical purposes, not only for an undergraduate, a graduate, but also for postgraduate students and for the general public.**

#### **6. Questions & Suggestions**

**I appreciate if the doctorate explained some open questions related to the thesis:**

- i. The author noted that there is a negative relationship between corporate companies and state ownership companies in terms of cash holding.**

*Explain which factors are behind this negative relationship and whether these factors are applicable for all corporate and state companies or not and whether these factors are of a short-term or long-term nature?*

- ii. The Vietnamese economy is still in the process of transition. The economy consists of different sectors.**

*Explain whether there are differences within the state companies in various sectors of the economy in terms of the working capital (cash) and what is behind these differences. In addition, explain whether there exist differences in the*

*regulatory framework between corporate and state companies related to both the cash holding and the corporate governance mechanism.*

- iii. **A very well-developed and functioning capital market always creates favorable conditions for issuing securities, i.e. fixed income securities and stocks instead of receiving credits and providing feedback to the listed companies about the overall performance. The best performance of both companies, i.e. corporate and state is to always have options listed on the international stocks exchanges.**

*Explain whether some Vietnamese companies are listed in the internationally recognized stocks exchanges and if yes, companies from which sectors of the economy. Explain your assumption about future participation of both types of companies, particularly, in South Asia's stocks exchanges.*

## **7. Conclusion**

The topic of the thesis is very up-to-date. The presented results, the author's approach from the point of the methodology, his analytical skills and the ability to formulate his own conclusions and recommendations, clearly demonstrates that the doctorate student fulfills all necessary requirements for this type of degree. In line with this,

**I strongly recommend the thesis for the defense.**

After its successful defense, I would like to **recommend Mr. Do Thi Thanh Nhan the title „doctor“ (philosophie doctor, abbr. PhD).**

*Bratislava, June 11<sup>th</sup>, 2018*



Juraj Sipko