

## REVIEW

From: **Prof. Dr. Dimitar Hristov Tenchev** with a professional strand of Economics,  
Scientific field of study: 3.8 Economics and Management

**Regarding** Elaboration of a Review of a dissertation work and participation in a scientific jury for acquiring of an academic title “Doctor” in the sphere of higher education 3. Social, Economic and Law sciences, Professional strand 3.7. Administration and management; scientific field of study “Business Administration”.

Basis for submission of review: Order № 220 from 15.10.2021 of the Rector of “International Business School”, Botevgrad

Author of dissertation work: **Ediz –Hanif Bayazidov Saidov**

Theme of dissertation work: **Risk Management of the Investment Projects**

### **I Reference of the candidate**

The PhD student, according to the presented CV, has the necessary qualifications and has completed appropriate education in the context of the theme of the presented dissertation work – Secondary Education – Accounting, Bachelor – Business Administration (Marketing) at the NBU, Master's Business Administration, NBU. Since April 2018 he learn as a PhD student in Professional strand 3.7 Administration and Management, Scientific field Administration and Management at IBSEDU, Botevgrad.

He also has extensive practical experience in the field of management, acquired in his role as owner and manager of various companies. His organizational experience allows him to develop political activities in the parliamentary life of the country

This knowledge and experience quite consequentially became an opportunity for scientific expression and development in the field of the thesis chosen as a topic.

### **II General characteristics of the dissertation work**

The dissertation submitted for review was developed and structured in three chapters, Introduction, Conclusion, Applications in a total volume of 219 pages.

It is professionally shaped, according to standards, with logical traceability of the development of reasoning and supported by appropriate comments, examples and arguments. There are 107 literary and electronic sources, of which 56 in Cyrillic and 51 in Latin, 2 applications and a terminology dictionary. Thesis work includes 8 tables, 3 figures.

In the introduction are adequately formulated the purpose, tasks, subject matter, object, research thesis of the dissertation. They clearly define its relevance and support the consistent exposure of the studies and studies carried out, the analysis of the results,

the summaries of each topic, and form the basis for developing relevant recommendations

In my opinion, the **Subject** of the study could be defined as an **Examination of environmental factors influencing investors and their investment intentions and, as a consequence, the appearance of different kinds of risks.**

The Object of the study is wonderfully defined and throughout the paper job there is orderliness; and consistent adherence to its aspects

**Research thesis** formulated in the dissertation work, namely that the overall knowledge of factors and trends in the practice of risk management in investment projects supports their successful management and leads to improvement of the business parameters of the projects and satisfies the interests and helps to achieve the goals of all stakeholders is fully logical and in a vital relationship with the site of the study.

The **Purpose** of the dissertation work - To present and analyze theories and practices in risk management by revealing the conditions and some of the mechanisms for improving risk management in investment activity and to study trends in this regard, presented in a separate concept, is relevant and in my opinion reached in the process of the work.

The **Tasks** related with the purpose are:

1. Analysis of the occurrence and manifestation of risk in investment projects in the process of their preparation and realization, and formation of returns for investors as a result of the risk they take.
2. Characterisation of the principles and behavior of business subjects, their entrepreneurial culture and activity for the implementation of non-traditional and innovative high-risk technologies due to uncertainty in profitability and fluctuations in securities prices in a dynamic market environment and competition.
3. Analysis of the key impact of investments on economic activity and growth of the economy, income and standard of living and the existence of risk in this process.
4. Identify the need for active investment activity requiring professional development of knowledge, innovation and scientific service of the investment risk management cycle in practice.

are adequate and help to systematically monitor the progress of the work to achieve it.

**II.1.** The **Validity** of the issue under question is adequately justified. The development of global economies from crisis to crisis sets incredible challenges for countries to deal with situations that are not known and are essentially unspecified risks that debalance otherwise successful national and corporate development plans. I dare to highlight the current pandemic situation in the world as a typical example of the need to adequately predict events and situations and take measures to address potential risks.

These reflections also concern investment activity, for which models, methods, approaches and techniques exist as a rule to predict and deal with emerging adverse events.

The PhD student's attempt to provide a macro integrative framework covering the factors and possible approaches to dealing with possible risks unconditionally makes the development particularly relevant.

## **II.2. Level of knowledge of the problem**

The author demonstrates a thorough knowledge of the subject and related problems.

Chapter One is dedicated to examining a number of key concepts related theoretic and conceptual aspects of risk in investment practice.

An in-depth study has been carried out aimed at adequate understanding of the nature of risk in the context of investment projects, with a structured separation of the nature of the risk arising from different factors.

On page 12, the author confirms his consent to a definition, but in my view it should be emphasised whether it is his creation or exists in the theory and he agrees with its validity and completeness.

The distinction between the concepts of risk and uncertainty is professionally addressed again in the context of the investment process.

The concepts considered in tandem as "risk – profitability" make it possible to conclude that the PhD student makes a correct attempt to holistically address risk-related problems and achieves relevant results to this field.

The author proves unequivocally that business is always about taking risks of a different nature, but it is they that underpin the often better representation of organizations, because they help to avoid conservatism, dogmatism and psychological barriers such as fear and uncertainty.

In the context of the work, the PhD student refers to competent and proven experts and correctly interprets the various theoretical aspects in order to successfully demonstrate the need for a holistic view in risk management in investment activities projects - page 18 Risk zones; Classification of risks – 23-24, 25-27 pages and much more.

It makes a positive impression that throughout the all job, the author explicitly emphasizes his own opinion on the discussed aspects, which is one of the main characteristic objectives in the development of dissertation work – a critical review of existing concepts, practices, etc.

Adequately defined the subject of governance in the risk management system and systematised the role and responsibilities of the entity in the same system. Page 37

Risk management is appropriately interpreted by commenting on the theoretical aspects and their application in the Bulgarian context. Of interest is the finding of the prevailing intuitive approach to decision-making on dealing with potential risks, especially in small Bulgarian companies.

In this regard, I have the following question!

**Does the author advise managers of small and medium-sized enterprises to take unjustified risks in order to increase profits?**

I allow myself to address the problem of risk prediction.

On page 48, quite correctly, the PhD student noted that "A disadvantage of the statistical approach to risk measurement is the fact that it is based on the availability of historical statistics, whereas risk assessments are related to future events. In this regard, I allow myself to recommend that he get acquainted with the book "Black Swan" by Nassim Taleb, in which the aspects of forecasting in the conditions, especially of approximately zero predictability and high turbulence of the environment, are extremely professionally commented.

Chapter Two is dedicated to the Methodological Foundations of The Analysis and Evaluation of Investment Projects.

An adequate distinction has been made between the nature of investments in terms of expectation of profit in the future and profit deprivation now and long-term value for the investment and its certainty for this long period.

The interests and objectives of stakeholders in the investment process are considered and described in various aspects – material technical (real) investments and financial (shares, securities, bonds, etc.)

The presented categorization of risk-neutral investors, without risk appetite and risk-prone, helps to identify their profile and willingness to attract in different types of projects in this context.

The profitability of the investments was also commented as an interest of the investor in its various forms – interest, rent, dividend, etc. integrated with its riskability.

A relevant comment has been made on the risk of real investments in the sense of its valuation at a given degree of uncertainty of the business environment.

The philosophy of the creation and implementation of investment projects is presented. The mandatory phases and steps in the development of a project, the roles and obligations of the participants in the implementation of the project, their

responsibilities and commitments, the necessary documentation and all attributes of the project in the context of objective analysis and adequate selection and implementation of the appropriate option are considered. The different formal structures suitable for project management are considered and their advantages and disadvantages are highlighted in terms of adequacy of management, complexity of the project, combination of roles of different stakeholders, etc.

Through the prism of investment projects, the problem of securing their financing has been addressed as a key activity of their conversions. In this regard, the possibilities and options for finding and securing investments in the form of funds from appropriate participants in the business environment, including self-financing, have also been commented on.

The forms and funding options examined also identify the specific role/roles that the bank can play as an investor in relation to the preservation of its own interests.

Special attention has been paid to the Investment Portfolio as a risk diversification tool and a successful tool for investors to achieve higher returns and optimization of the activities to reduce the undesirable impact of accidental factors.

In the context of risk assessment, criteria are presented to support their adequate systematic and prioritization as a basis for successful project management. Their advantages and disadvantages are distinguished and it is obvious that the use of only one of the criteria considered in the evaluation of projects is inappropriate and quite logically the author stresses the need for a comprehensive assessment of its various parameters, through a bouquet of available techniques, criteria and methods, which are also considered in the development.

In this regard, I allow myself to ask the following questions!

What are the most common reasons for refusing to allocate a financial resource to the investors concerned and how could borrowers avoid unwanted refusal?

With regard to grant schemes for financing investment projects under international programmes, to what extent are the criteria for selecting a project adequate when funding is free of charge?

Chapter Three deals with risk management in project investments, with particular attention to the design form.

The different forms and ways of investing and the factors that influence the appropriate choice are considered.

Of interest is the commentary and analysis of innovative investments, where there is usually the highest risk in terms of market success. The author has examined the process of innovation management, through the prism of the investment process and project management and reflected the steps and factors to be taken into account in it.

The development successfully demonstrates the need to adopt the philosophy of project management with all its attributes – size of the investment, terms of the individual phases, steps of the entire duration in the implementation of the project, assessment of the ability of the investment decision to generate income, term of redemption of the investment and so on in the realization of activities of a material or financial nature. In the same spirit are the proposed coefficients for measuring the result of the project during and after its completion and implementation.

The projects, which are of a material nature, consider management functions that predetermine its vitality. These are the relations with suppliers, in general, and specifically control of the supply process, the conclusion of adequate supply contracts, outsourcing activities, optimal stock management. Logistics as an activity covering the entire material flow is also commented on in terms of management function and as the subject of investment decisions from which risk events arise.

Special attention is focused on quality assurance. In this regard, the management systems in the ISO 9001, version 2015 series concerning ecology, information management, security, etc. are presented.

A proper place is assigned to the management of investment portfolios in the context of risks and their diversification. The possible forms considered for its achievement are logically presented and subjected to objective critical analysis.

The role of the project manager and in particular his ability to make the right decisions has also been addressed.

In my opinion, the necessary attention is made to the most important factor in a project, namely people (human resources) in the sense of subjectivism as a phenomenon in government.

In a very interesting way, several aspects are integrated – the psychology of the manager, the ability to make the right decisions based on experience, knowledge, intuition, the formation of teams for the projects, the harmony between team players, their ability to manage their conflicts and differences in general work, the availability of an appropriate working atmosphere, distribution of roles, team dynamics, etc.

At the end of Chapter 3, practical recommendations on the formation and proactive adequate management of investment portfolios are set out. At first glance, this could only be attributed to investments in stocks, stock exchanges and other instruments, but indirectly they also very strongly affect investments in material technical assets that prejudice other long-term objectives.

The conclusion highlights the main conclusions and highlights of the entire development. They unequivocally demonstrate that they are fulfilling the objective and solved the tasks formulated the beginning of the dissertation work. The thesis of the scientific study has also been confirmed, namely that it is necessary to apply a holistic

view of risk management in investment projects in order to adequately cover all the factors on which their success depends.

### **III. Assessment of the achieved scientific and scientifically-applied results**

In general, the results obtained are adequate, objective and indeed show the depth, systemicity and logicity of the survey carried out, and the conclusions and guidelines for correct action are formulated confirm their relevance.

### **IV. Assessment of the achieved scientific and scientifically-applied contributions**

3 scientific and applied contributions are presented. In my opinion, they are all mostly scientifically - applied (in the context of the analysis and synthesis of existing scientific knowledge in the field, on the criterion Enrichment of existing scientific knowledge)

I would allow myself to add another one, which in my opinion is essential and gives more complete completion to the study and results.

- Propose a **broad integrative framework** of factors and actions that reflect the parameters of the external and internal environment of organisations and contribute to the relevant choice with minimal risk of appropriate forms of investment intentions.

### **V. Assessment of the publications on the dissertation work**

A list of 3 publications on the topic of the dissertation work is presented. Both are available and are fully the theme of the development. There's one missing from the materials presented to me. I could state that they correspond to the content of the dissertation work and present key highlights of it to the scientific guild.

### **VI. Assessment of the author's summary**

The author's summary is presented in the required layout and size, and it considers the essential elements of the study paper.

### **VII. Critical notes, recommendations and questions**

As a criticism of the author, I allow myself to note the existence of a number of spelling and grammatical errors, especially in the author's book, but also available in the dissertation work.

The literature lists the same author and work under numbers 48 and 50.

The text needs to refer to the Annexes in order to make it clear in what context they are presented.

As recommendations, I allow myself to suggest to the author in his subsequent creative appearances after the end of each main part (chapter) to bring out the main

accents, conclusions, achievements. This achieves a full understanding and differentiation of results in the course of work, and also highlights the performance of tasks in the relevant context.

I would like to stress firmly that the development is highly valued and with many benefits for the management of both investors and project managers who are looking for investments for their realization. The critical comments made shall in no case diminish the value of the studies and studies carried out and shall not diminish the results achieved.

My recommendation to add another substantial scientifically applied contribution is dictated by the holistic nature of the whole development. I allow myself to propose that the dissertation work after an appropriate revision be published as a textbook or even an applied risk management guide in the implementation of investment intentions.

The questions I would ask are formulated in the text and I do not think it is appropriate to bring them out again.

### **VIII. Summarized conclusion**

In conclusion, I would like to declare my positive evaluation of the dissertation work presented by **Ediz –Hanif Bayazidov Saidov**. It meets all the requirements of the Development of Academic Staff in the Republic of Bulgaria Act and the Rules of Procedure of IBSEDU Botevgrad, covers the scientometric criteria for acquiring the academic title of “doctor”.

I therefore take the liberty of recommending to the Honorable scientific jury to vote **POSITIVELY** and to award **Ediz –Hanif Bayazidov Saidov** with an academic title of “**doctor**” in professional strand 3.7. Administration and Management; scientific field of study “Administration and Management” (Business Administration).

Date: December 2021

Signature: