

Report on Doctoral Thesis

Doctoral student:	Abdul Quddus
Title of Doctoral Thesis:	The Impact of Investment Decision on Firm Financial Performance Moderated by Economic Policy Uncertainty: Evidence from the Non-Financial Sector of Pakistan
Reviewer:	prof. Ing. Aleksandr Ključnikov, Ph.D.
Place of Doctoral Examination:	Faculty of Management and Economics, Tomas Bata University in Zlín, the Czech Republic

Evaluation of the actuality of the topic of the Doctoral Thesis

The doctoral thesis focuses on examining how investment decisions affect a firm's financial performance, with a specific emphasis on the influence of economic policy uncertainty. The study analyzes a sample of non-financial sector companies traded in the Pakistani Stock Market. While the impact of investment decisions on financial performance is a widely discussed topic, this research brings a fresh perspective by investigating the effects of economic policy uncertainty within the context of a developing economy. As a result, the Doctoral Thesis topic can be considered timely and relevant.

Evaluation of the fulfillment of the objectives set out in the dissertation thesis.

The structure and readability of the doctoral thesis are commendable. In Chapter 2, the research problem is gradually introduced, followed by a well-connected definition of the research objectives. These objectives primarily focus on examining the impact of investment on tangible and intangible assets, working capital, financial leverage, and economic policy uncertainty on financial performance. Eight scientific hypotheses are developed in Chapter 4 to support these objectives.

Chapter 6 presents the research results in a systematic manner, including an evaluation of the scientific hypotheses in the results section. While the results are presented in relation to the scientific hypotheses, a comprehensive assessment of the research questions is lacking. However, this approach can be considered acceptable given the direct linkage between the hypotheses and research objectives. Furthermore, the presentation of the results in Chapter 6 is accompanied by an explanatory discussion, which adds depth to the findings.

Overall, the presentation of the results is appropriate. Although the selected methodological approach has some potential weaknesses, as mentioned below, I believe the objectives of the Dissertation Thesis have been successfully accomplished.

Evaluation of the procedure of research objectives solvation, results of Doctoral Thesis, and the contribution of the student

The doctoral thesis follows a traditional research paper structure, encompassing all necessary components. In the introduction, the author justifies the research's significance, provides background information, and outlines the thesis's structure. Chapter 2 elaborates on the research problem, followed by the definition of the research aim and objectives, while Chapter 3 offers a well-structured theoretical background based on over 300 mostly contemporary literary sources. Chapter 4 defines the scientific hypotheses following the comprehensive theoretical foundation from Chapter 3.

The methodology and data are discussed in Chapter 5; however, there are notable weaknesses in the data sample selection despite the chosen quantitative research methods being deemed appropriate. The author focuses on 223 out of 363 companies traded on the Pakistan Stock Exchange. The absence of crucial details regarding firm size (we can assume that they belong to the category of large companies), age, and basic financial characteristics used in the research further adds to the limitations. Additionally, the author has neglected to discuss the composition of the sample in relation to the various sectors of the economy. Although Table 2 provides an overview of the structure of non-financial sector firms listed at the Pakistan Stock Exchange, detailed information regarding the selected sample companies' sectors is lacking. Furthermore, this information is notably absent from the list of companies presented in Annexure 1. The concentration of companies from multiple sectors within the non-financial sector firms' structure is evident, yet the analysis fails to address the specific characteristics of these sectors in relation to the selected variables and their corresponding results.

The description of the research results lacks clarity regarding the author's approach to working with time series data. Investments in tangible and intangible assets, as well as working capital, exhibit distinct patterns of appearance in financial statements over time. Tangible and intangible assets are typically subject to varying depreciation rates across different time periods, while working capital manifests through different types of expenses. Consequently, it is crucial to appropriately address the influence of these translational mechanisms and their impact on individual variables within the defined empirical models.

Chapters 6 of the thesis provide a comprehensive presentation of the empirical findings, along with a thorough discussion and evaluation of the scientific hypotheses. The presentation of the results, as well as the subsequent discussion in Chapter 7, exhibits a suitable level of detail and analysis. In the final sections of the thesis, the author addresses the research limitations, offers insights into the theoretical and practical contributions, draws conclusions, and outlines avenues for future research.

Notwithstanding the identified minor weaknesses in the research, it can be inferred that the approach taken to address the research objectives has yielded novel findings and has sparked scholarly discourse on methodological matters. Additionally, the author demonstrates the ability to conduct independent research and successfully accomplish all predetermined objectives.

Evaluation of the contribution to the development of the field of study and the practice

The doctoral thesis makes a significant scholarly contribution by advancing the academic discussion and broadening the existing literature on the moderating influence of economic

policy uncertainty on investment decision-making, specifically within the context of a developing country. Furthermore, it provides a valuable practical contribution by underscoring the importance of stable political and economic policy environments for fostering economic development.

Evaluation of formal and language issues of the Doctoral Thesis

The Doctoral Thesis fulfills all prescribed formal criteria for this type of scientific work. The language is at the appropriate level.

Evaluation of the publications of the doctoral candidate

The doctoral candidate presented a list of 14 articles published in peer-reviewed international scientific journals listed in the Web of Science (ESCI) and/or Scopus databases and 7 conference papers. Most of the presented publications are related to the field of research. Therefore, the number and the quality of publications fulfill the conditions for proceeding to the defense.

Questions for the student for further discussion

1. Please comment on the selected companies' structure regarding their size, age, basic financial characteristics, and the potential limitations related to these characteristics.
2. The concentration of companies from multiple sectors within the non-financial sector firms' structure is evident. Yet, the analysis fails to address the specific characteristics of these sectors concerning the selected variables and their corresponding results. Therefore, please comment on the potential impact of the sector specifics and sectoral concentration on the research results.
3. Investments in tangible and intangible assets and working capital exhibit distinct patterns of appearance in financial statements over time. Additionally, tangible and intangible assets are typically subject to varying depreciation rates across different time periods, while working capital manifests through different types of expenses. Have you addressed the influence of these translational mechanisms and their impact on individual variables within the defined empirical models?

Definite statement of the reviewer of the fulfillment of the Doctoral Thesis evaluation

Based on a comprehensive assessment of the topic, the degree of achievement of goals, results, and benefits of work for the practice and the development of the scientific field, I recommend the Dissertation thesis for the defense. In case of a successful defense, I propose to grant the doctoral candidate the academic title of "Doctor" (abbreviated as "Ph.D.").

In Ostrava, 01.06.2023

prof. Ing. Aleksandr Ključnikov, Ph.D.