

REVIEW

for participation in the competition for the academic position "Professor"
announced by the University of Economics - Varna

1. General information

- Reviewer: *Prof. Dr. Stefan Minchev Vachkov*, Department of Finance at the University of Economics (UE) – Varna;
- Reason for writing the review: Order of the Rector of UE-Varna RD 06-94/27.05.2022 for the appointment of a scientific jury and its decision from 07.06.2022

2. Contest data

- Scientific field: "3. Social, economic and legal sciences";
- Professional field: "3.8. Economics";
- Scientific specialty: "Finance, money circulation, credit and insurance (Financial Investments)";
- Faculty of Finance and Accounting;
- Department of Finance;
- The contest is announced in the State Gazette, No. 27 / 05.04.2022

3. Candidate for the competition

The only candidate for the competition is *Assoc. Prof. Dr. Jordan Vasilev Jordanov* – a lecturer in the "Finance" department at UE-Varna.

4. Personal characteristics of the candidate

Mr. Jordan Jordanov was born on 22nd of March 1959 in the village of Ovcha Mogila, Veliko Tarnovo Region. He graduated from secondary education at the USPS "Al.

Konstantinov" - Svishtov (1977) and higher - in HFEI "D. A. Tsenov" - Svishtov, specialty "Finance, credit and insurance" (1983). He has worked as a credit inspector at BNB, branch Lyaskovets (1983-1986) and head of the "Labour and wages" department at the factory for inflatable products "P. Volov" – town of Byala, Ruse region (1986-1987).

From 1987 to 2004, he was successively an assistant, senior assistant and chief assistant in the "Finance and Credit" department at UE - Varna. In 1994 he received the educational and qualification degree (EQD) "Master of Economics and Finance" at Loughborough University (United Kingdom), and in 1998 - the educational and scientific degree "Doctor of Economics (Finance)" at the same university (diploma No. 1212/05.05.2000). He holds the academic position "Associated Professor" in the Department of Finance at the UE – Varna since 23.01.2004 г. (diploma No. 22230/23.01.2004).

The candidate in the competition is a scholarship holder of the The University of Delaware (USA) - Bulgarian Coalition (1992-1993 г.), Chevening Scholarships (United Kingdom) – 1993-1994 and of the Phare programme – ACE 95 (European Commission) – 1995-1998. He leaded a focus group "Financing of Innovations" by Project No014664 "Regional Innovation Strategy of the North East Planning Region" (NE-BG RIS) under the VI Framework Programme of the European Union, direction "Research and Innovation" (June 2005 - January 2008).

Assoc. Prof. J. Jordanov teaches at the Medical University "Prof. Dr. Paraskev Stoyanov" – Varna (2008), the Technical University – Varna (2010-2011) and the Varna Free University (2019 and 2021). Delivers a course of lectures at the University of Economics in Krakow under the Erasmus+ Programme (2015).

He is a member of the "Economic Sciences" sections at the Union of Scientists - Varna and "Finance" at the TO of STU - Varna. He speaks English at an excellent level and Russian at a good level.

5. Quantitative and content characteristics of the presented scientific works after the last procedure (according to the requirements of Art. 77, p. 3, 4 , 5 and 6 in connection with Art. 86 of the Regulations for the Development of the Academic Staff at the University of Economics – Varna).

By type, the candidate's scientific works to participate in the contest are distributed as follows:

No	Type of Publications	Independent		Co-authored		Total	
		Count	Pages	Count	Pages	Count	Pages
1.	Monographs	1	271	1	54	2	332
2.	Studies	5	222	1	12	6	234
3.	Scientific articles	2	38	3	28	5	66
4.	Conference papers	6	47	-	-	6	47
5.	Textbooks and study aids	-	-	1	25	1	25
6.	Other publications	1	379	1	37	2	416
	Общо:	15	957	7	156	22	1110

The most significant of them is the *monograph "Development of the Capital Market in Bulgaria: Growth of the Mistakes or Mistakes of the Growth"* (100 points in *Group of indicators "C"*), which was discussed in the primary unit, reviewed by two habilitated reviewers and published in a specialized scientific publishing house. After highlighting the main moments following the establishment and the development of the Bulgarian stock exchange (BSE), the author presents the approaches for measurement the activity of the primary and the secondary markets, analyzes the obstacles to the development of the BSE and gives examples of good practices for stimulating the mobilization of the free funds of individual investors. A comparison of the dynamics in the structure of the financial assets in Bulgaria with that of some European countries has been made (pp. 17-57).

In *chapter two*, the weak form of efficiency is evaluated through serial consistency test and Markov chains. When documenting the abnormality of the excess return distribution of the sample of firms studied, rare but significant price increases, multiple more subtle price declines, or no changes are found (pp. 80-84). This phenomenon is explained both by

the presence of investors with positive feedback and as a result of the application of the "Pump and dump" strategy (p. 84).

Chapter three identifies the obstacles to the development of the corporate bond market. A detailed analysis of the problems and unhealthy practices in corporate bond issues in our country has been carried out and guidelines for overcoming them are offered. It is stated that "Where one or several main bondholders with pronounced financial-institutional power (banks) dominate and where there are no commitments with the issuer, the results of the renegotiations are in the interest of the bondholders. Where it is possible to suspect a connection between the issuer and the main bondholder(s), even if the latter are not a majority, with a strong dispersion of the remaining (small) bondholders, renegotiations are in the interest of the issuers" (p. 138 -139).

In the *fourth chapter* is assessed the potential of the individual investors and the profitability of investment alternatives. It becomes clear that from the point of view of the dynamics of the structure of household assets, "in the last 20 years there has been a lack of deep structural changes from indirect financial intermediation to direct one. The decrease in the relative share of the population's savings has been replaced by an increase in insurance, pension and standard guarantee schemes, the main reason for this being the introduction of mandatory pension insurance on a capital-covering principle for individuals born after 01.01.1960. Thus, after 20 years of market transition, households continue to provide their investments for management by financial intermediaries - banks and pension funds, instead of making independent investment decisions" (p. 158).

It also appears that the "Concentration index of BSE is underestimated, because in a number of cases, instead of one controlling shareholder (individual or legal entity), there are several shareholders with shares between 10-25%, but belonging to a certain economic group (holding). In addition, these economic groupings usually own a bank or insurance company, a pension fund and investment funds, which channel part of the public funds they manage, in their capacity as fiduciaries, to the firms of the economic group' (p. 198).

The *last chapter* examines the investment returns according to the risk profile and the management company and some problems in the activities of investment funds. The analysis of their aggregated portfolio structure reveals a conflict with the declared objective, because instead of "bonds", depositors' funds are directed to savings deposits. Meanwhile, there is a high share of cash and deposits, typical for the group of funds whose managing companies are banks (p. 237).

With a required minimum of 200 points in *group of indicators "D"*, 347.5 points were reported, distributed in relation to:

- *one book* based on defended dissertation for awarding the ESD "Doctor" (75 pts.);
- *one article* in scientific journals referenced and indexed in world-renowned databases of scientific information (15 pts.);
- *ten articles and conference papers*, published in non-referenced journals with peer-reviewed or published in edited collective volumes (90 pts.);
- *two studies* in scientific volumes, referenced and indexed in world-renowned databases of scientific information (67,5 pts.);
- *four studies* in non-referenced journals with peer-reviewed or published in edited collective volumes (60 pts.);
- *two chapters* in co-authored monographs (40 pts.).

One of the quantitative requirements for holding the academic position of "Professor", according to Art. 77, p. 5 of the Regulations for Development of the Academic Staff at UE-Varna (pursuant to Art. 2b, para. 5 of the LDASRB), *is met and five are exceeded*:

No	Indicators	Required points for "Professor"	Declared points by the candidate
1.	Scientific reports	60	60
2.	Scientific articles and studies	115	135
3.	Publications in Scopus and/or Web of Science	30	37,5
4.	Citations in Scopus and/or Web of Science	15	45
5.	Defended doctoral students	40	120
6.	Research projects (participation or management)	15	20

In addition to his *excellent theoretical training*, the scientific works of the candidate demonstrate *enviable skills for empirical research* using a rich arsenal of methods and models. The most important conclusions and suggestions are illustrated with large numerous figures, diagrams and tables. They could be used by a number of *interested institutions* (government, local and international banking and financial supervision authorities, capital markets, economic analysts, investors, etc.) when making concrete practical decisions in the field of financial investments. They are also a valuable source of information *for the education of students and doctoral students*, as well as for *all* those who are interested in this topical issue.

6. Quantitative and qualitative evaluation of teaching and learning work

(in accordance with the requirements of Art. 77, p. 2 pursuant to Art. 86 of the Regulations for Development of the Academic Staff at UE-Varna).

The candidate holds the academic position of “Associated Professor” for more than *18 years* with a full classroom and extracurricular workload. He conducts lecture courses and seminars on academic disciplines *fully in line* with the field of the contest (“Financial Investments”, “Management of Investments in Insurance and Social Insurance”, “Financial Engineering”, “Portfolio Management”, “Financial Derivatives”). The curricula and lecture courses in these disciplines are developed at a high theoretical and practical-applied level.

Assoc. Prof. Dr. Jordan Jordanov has been responsible for the *scientific supervision* of dozens of bachelor's and master's degree graduates and of *three* doctoral students who have successfully defended their dissertations. He enjoys respect among his colleagues in the department and the university's academic community. *Maximum (very good)* grades prevail in the students' surveys for his educational and teaching activities.

7. Identification of the scientific and research contributions. Evaluation of the candidate's citations. Evaluation of the quality of the research works from a linguistic point of view.

7.1. Identification of the scientific and research contributions

The conclusions with character of *scientific* and *practical-applied contributions* in the works of the candidate are a result of the application of existing theories for analysis and solution of specific socio-economic problems and for explanation of significant processes with formulated conclusions and recommendations. They can be summarized in the following areas:

First. Securitization technologies and mechanisms for issuing mortgage securities are characterized (publication II.1).

Second. The scope and the specifics of global asset management are defined (Publication II.1).

Third. An empirical analysis of the causal relationship between sentiment indicators and stock market indices has been carried out for several European countries (Publication II.2).

Fourth. Confidence and trust are substantiated as factors for growth of personal investment in capital markets (publication IV.2).

7.2. Evaluation of the candidate's citations

A reference is presented for *24 citations* of *6 publications* in monographs, studies, articles and scientific reports. Reported are *2,3 times* more points (230 at minimum required 100) from *indicators' group* "E" of the minimum national quantitative requirements for citations and *three times* more than the requirement of Art. 77, par. 5 (Annex 1) of the Regulations for the Development of the Academic Staff at the University of Economics – Varna for citations in scientific publications, referenced and indexed in world-renowned databases of scientific information. It is worth noting that Google Scholar reports 101

references to publications featuring the candidate (27 since 2017), h-index 6 (3) and i10-index 3 (0).

I consider that Assoc. Prof. Dr. Yordan Yordanov fulfils the minimum national requirements and the requirements of UE - Varna for occupying the academic position of "professor".

7.3. Evaluation of the quality of the research works from a linguistic point of view

The candidate's publications are developed in a high, clear and logical scientific style and are *entirely* his own work. Bibliography sources and annexes are *correctly* used and/or commented on in the exposition of each work.

8. Critical notes and recommendations

I recommend the candidate to more actively promote his scientific achievements in publications refereed and indexed in *world-renowned databases of scientific information*.

9. Conclusion

I evaluate positively the research and teaching activities of Assoc. Prof. Dr. Jordan Vasilev Jordanov and with full conviction I propose to the members of the respected scientific jury to vote for his election to the academic position of "Professor" in the scientific specialty "Finance, money circulation, credit and insurance (Financial Investments)".

28th July 2022

Varna

Reviewer:

Заличена информация съгласно
ЗЗЛД и регламент (ЕС) 2016/ 679
(Prof. Dr. Stefan Vachkov)



ИКОНОМИЧЕСКИ УНИВЕРСИТЕТ – ВАРНА

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ИКОНОМИЧЕСКИ УНИВЕРСИТЕТ ВАРНА

Вх. № P220-882/28.04.2022

REVIEW

from

Prof. Dr. Dimitar Nenkov Nenkov,
scientific specialty "Finance, Money Circulation, Credit and Insurance",
Department of Finance, University of National and World Economy, Sofia

Subject: Competition for a **Professor** in the scientific specialty "Finance, Money Circulation, Credit and Insurance" (Financial Investments), scientific field 3.8. Economics, scientific area "Social, Economic and Legal Sciences"

1. General Information

I participate in the scientific jury of the competition according to Order No RD 06-94/27.05.2022 of the Rector of Economic University – Varna, Prof. Dr. Evgeni Stanimirov. The order is based on Art. 4 in connection with Art. 29a. (1) of the Law for the Development of the Academic Staff in the Republic of Bulgaria, Art. 81 of the Regulations of the Development of the Academic Staff of Economic University - Varna, Decision of the Faculty Council of the Finance and Accounting Faculty /Protokol No 4 от 19.05.2022/.

In accordance with a decision of the first meeting of the scientific jury of 7.06.2022 I ought to prepare a review.

2. Information about the competition

The competition for the scientific position "Professor", scientific area 3 "Social, Economic and Legal Sciences", scientific field 3.8. Economics, scientific specialty "Finance, Money Circulation, Credit and Insurance" (Financial Investments), is for the needs of the Department of Finance, of the Finance and Accounting Faculty at the Economic University - Varna, according to a decision of the Academic Council /Protokol No... of/.

The competition was published in the State Gazette, no. 27 of 05.04.2022, on the basis of Art. 3, al. 1 of the Law for the Development of the Academic Staff of the Republic of Bulgaria (LDASRB).

3. Participants in the competition

Only one candidate participated in the competition for professor - Associate Professor Yordan Vasilev Yordanov. Yordan Yordanov, at the time of the competition, is a full-time associate professor in the Department of Finance of Economic University - Varna.

The candidate completed his secondary education at "Aleko Konstantinov" high school, Svishtov. During the period 1979-1983, he was a student at The Higher Institute of Finance and Economy "D. A. Tsenov" - Svishtov, where he graduated with a degree in "Finance, credit and insurance", specialization "Banking". In the 1990s, Yordan Yordanov won international scholarships, which gave him the opportunity to specialize abroad, such as Chevening Scholarships, Great Britain, Phare - ACE 95 (of the European Commission), etc. Thus, in 1992-93, the candidate continued his studies with a postgraduate qualification in a program at the University of Delaware (USA) - Bulgarian Coalition. In 1993-94, the candidate completed a master's program at Loughborough University - Great Britain, and acquired the educational and qualification degree "Master of Economics and Finance". The candidate continued with doctoral studies at the same university during the period 1995-1998 and obtained the educational and scientific degree "Doctor of Economics (Finance)". The topic of the dissertation is "The Anomaly of Firm Size on the London Stock Exchange. An empirical study".

After completing his higher education at The Higher Institute of Finance and Economy, Yordan Vassilev Yordanov worked as a credit inspector at the Bulgarian National Bank, Lyaskovets branch - from 1983 to 1986. During the period 1986-1987, he was the Head of the Labor and Wages Department at the Factory for inflatable products "Panayot Volov", town of Byala, Ruse region. In 1987, the candidate entered the University of Economics - Varna, where he has worked successively as a full-time assistant, chief assistant and associate professor at the "Finance" department of the university. He has been an associate professor since 2004.

4. General description of the presented scientific works

The total specified set of publications of Assoc. Prof. Yordan Yordanov is 55, incl. 35 independent and 20 co-authored. They are shown in the following table:

№	Type of Publication	Individual		Co-authored		Total	
		number	pages	number	pages	number	p.
1	Monographs	2	395	1	84	3	479
2	Studios	6	292	1	12	7	304
3	Scientific articles	12	151	4	37	16	188
5	Scientific reports	12	111	-	-	12	111
6	Textbooks and study aids	2	608	13		15	1385
7	Other publications	1	379	1	37	2	416
	Total	35	1936	20	170	55	2883

In the current competition, the candidate, Associate Professor Yordan Vasilev Yordanov, PhD, participated **with some of the above publications - 22 in total**, which are presented in the table below:

№	Type of Publication	<u>Individual</u>		<u>Co-authored</u>		<u>Total</u>	
		number	pages	number	pages	number	p.
1	Monographs	1	271	1	54	2	325
2	Studios	5	222	1	12	6	234
3	Scientific articles	2	38	3	28	5	66
5	Scientific reports	6	47	-	-	6	47
6	Textbooks and study aids	-	-	1	25	1	25
7	Other publications	1	379	1	37	2	416
	Total	15	957	7	156	22	1110

Fifteen of the works presented for the competition are independent publications, including 1 monograph, 5 studies, 2 scientific articles, 6 scientific reports from participation in scientific forums and one book based on a defended dissertation work. In addition, the candidate presented 7 more collective publications in which he participated, including: 1 monograph, 1 study, 3 scientific articles, 1 textbook/teaching aid and 1 short encyclopedia. Two of the studies and one of the articles were published in English in foreign and domestic scientific journals. These three publications are referenced and indexed in world-renowned databases of scientific information (Scopus or Web of Science). The majority of the remaining studies and articles are included in other systems for indexing, referencing and evaluation /as "other indexed"/. Some of the publications are directly related to the educational activity. The quantity and quality of the scientific output presented by the candidate corresponds to the minimum national requirements for occupying the academic position "professor", according to Art. 2b, para. 5 of LDASRB, as well as the requirements for occupying the academic position of "professor" at Economic University - Varna, according to Art. 77, item 5 of RDAS in Economic University -Varna. This is evident from the following table:

**Fulfillment of quantitative requirements
for occupying the academic position of "professor" at EU-Varna
from the candidate Assoc. Ph.D. Yordan Vasilev Yordanov**

No:	Indicator	Required number of points for "professor"	Declared number of points by the candidate
1.	Scientific reports	60	60
2.	Scientific articles and studios	115	135
3.	Publications in Scopus or Web of Science	30	37.5
4.	Citations in Scopus or Web of Science	15	45
5.	Graduated doctoral students	40	120
6.	Research projects (as a participant or a leader)	15	20

According to the presented report-declaration, Assoc. Prof. Yordan Yordanov has fulfilled the minimum national quantitative requirements in general and according to each of the individual criteria. The candidate also fulfills the additional requirements according to the PRAS of EU - Varna.

The candidate has submitted one independent monograph - with the title "Development of the Capital Market in Bulgaria: Growth of Errors or Errors of Growth", with a total volume of 271 pages, as the main habilitation thesis - according to Art. 77, item 3 of PRAS in EU - Varna. The monograph meets the requirements of this article and of article 86 (2), items 1, 2, 3 and 4 of the PRAS in EU - Varna - it was discussed in the proper order in the department, it was reviewed by two qualified persons and it was published by a specialized scientific publishing house. The monograph does not repeat the publications that were used to acquire the educational and scientific degree "doctor" and to occupy the academic position "associate professor".

The habilitation thesis consists of an introduction, five chapters, a conclusion, appendices and a list of references. It presents a very useful critical overview of the origins and history of the stock market in Bulgaria, particularly with regard to its recent history since the beginning of the twenty-first century. The monograph contains a valuable analysis and assessment of the factors for the full development of the capital markets. This includes an analysis of the factors for the development of the Bulgarian capital market - legal, economic, historical aspects. The author pays special attention to the reasons significantly limiting the development of the capital market in Bulgaria. The emphasis is primarily on the institutional, organizational and infrastructural aspects at the macroeconomic and political level.

The dynamics of the stock market in Bulgaria, including the market indices, have been analyzed quite thoroughly, the sources of growth, the specific reasons for the most significant peaks and troughs have been discussed. A very serious empirical analysis was carried out on the basis of a rich set of data on the capital market of Bulgaria from the last 20 years.

Essential features of the issues of stocks and corporate bonds in Bulgaria during the studied 20-year period have been analyzed, including, among other things, the motives for the respective issues, the purpose of the raised capital, the effects for the issuer and for the economy as a whole, etc. Associate Professor Yordanov has thoroughly researched the intricacies and defects of publicly traded corporate debt in Bulgaria. It is obvious that the author has a soft spot for exploring the problems of corporate debt issues (in the positive sense). He has paid particular attention to restructured and defaulted issues, where examples of abuse of the rights and interests of corporate bondholders abound.

The author very thoroughly discusses and clarifies the reasons that discourage potential individual investors from participating in our capital market. The monographic work also seriously examines the development, problems and peculiarities of the Bulgarian investment funds.

The predominant part of the candidate's research work is precisely on the topic and sub-topic of the competition. This applies to the habilitation work, the presented collective monograph, the studies, the majority of the articles and reports.

5. General assessment of teaching and learning work

The candidate in the competition, Associate Professor Yordan Yordanov, Ph.D., has led lecture courses and seminars in various disciplines, as follows:

- Financial Investments;
- Financial Management;
- Management of Investments in Insurance and Insurance;
- Introduction to Finance (in English);
- Portfolio Management;
- Financial Derivatives.

Assoc. Prof. Yordan Yordanov supervised graduate students, was a reviewer of diploma theses, and consulted students. He carried out the scientific supervision of three successfully defended doctoral students. The candidate has conducted a specialization and lectured at the University of Economics - Krakow, Poland, within the framework of the Erasmus + Program. Yordan Yordanov has led lectures and seminars on finance at other universities in Bulgaria, including: Medical University - Varna (in 2008), Technical University - Varna (in 2010 and 2011), Free University - Varna (in 2021).

The candidate has been working as a full-time lecturer in the Department of Finance" of Economic University - Varna for more than 30 years - full-time assistant since 1987, associate professor since 2004. The candidate's pedagogical and research experience, as well as his professional experience in the field of finance (mostly in the field of financial assets and capital markets), are in full accordance with the direction of the competition. The candidate has taught lecture courses for many years in this field.

The educational and teaching practice and experience of the candidate - such as duration, quality and specific field, fully correspond to the requirements of the current competition, including the requirements of art. 77, item 2 in connection with Art. 86 of the Regulations for the Development of the Academic Staff at the University of Economics - Varna.

6. Identification of scientific contributions

The main areas of scientific interests of the candidate Assoc. Prof. Dr. Yordan Yordanov are Financial Investments, Corporate Finance, Efficiency of Capital Markets, Financial Derivatives.

The focus of the research work of Assoc. Prof. Yordan Yordanov on an area in which relatively little work is done in Bulgaria has favored the achievement of significant scientific and scientific-applied results. The research topics are appropriately selected and researched thoroughly and competently. In the presented report on scientific and scientific-applied contributions, the candidate limited himself to describing those in his habilitation thesis from 2021. In fact, serious contribution points are also contained in most of his other publications from earlier periods.

The more important scientific and scientific-applied contributions of the candidate can be

systematized in five main thematic directions:

1. Tracking the development and critical analysis of the functioning of the stock market in Bulgaria from the end of the last century until now, including:
 - Study and analysis of the literature devoted to the development factors of the Bulgarian Stock Exchange - Sofia (BSE);
 - Measurement of primary and secondary market activity;
 - Analysis of the obstacles to the development of the BSE and presentation of examples of good practices for stimulating the mobilization of the free funds of individual investors;
 - Analysis of the dynamics of cash balances (flows) of Bulgaria and comparison with other European countries.
2. Evaluation of the weak form of efficiency of the Bulgarian stock market using non-parametric tests:
 - Specific econometric tests were applied, testifying to low efficiency and the existence of anomalies in the Bulgarian market (The hypothesis that share prices are a random process in relation to the SOFIX index and a few selected shares is rejected;
 - An assessment of the relationship between systemic and idiosyncratic risk of the Bulgarian Stock Exchange was made. An empirical analysis has been carried out, which establishes a relatively low share of systemic risk and testifies to a limited development of our capital market;
 - Documenting the abnormality of the excess return distribution of the sample of surveyed firms. Identifying the presence of infrequent but significant price increases and multiple but less pronounced price declines or no changes.
3. Analysis of the dynamics and problematic aspects of the corporate bond market in Bulgaria, including:
 - Outlining the main characteristics of corporate bond issues in Bulgaria;
 - Characterization of the obstacles to the development of the corporate bond market in our country. Analysis of problems and unhealthy practices in the field of corporate bond issues and proposals for overcoming weaknesses;
 - Justification of the hypothesis of expropriation of the bondholders. The author finds that in many of the studied restructured issues, the issuer appears to be the stronger party in renegotiating the terms of the loan and manages to reduce interest rates and extend the term to maturity;
 - Defining the profile of defaulting corporate bond issues.
4. Research and analysis of the problematic aspects of the more active and more massive involvement of individual investors in the Bulgarian capital market, including:

- Assessment of the potential of individual investors and the profitability of investment alternatives;
 - Analyzing behavioral parameters of the Bulgarian investor - confidence and trust;
 - Analysis of ownership concentration and Corporate Governance of BSE - Sofia. Rationale for the "Principal-Principal" problem;
 - Delineation of the prerequisites for tunneling on the BSE.
5. Analysis of problem areas in the activity of investment funds. Delineation of the return profile according to the risk profile and the management company. Analysis of the aggregated portfolio structure of investment funds.

7. Critical notes and recommendations

Considering the considerable research experience of Assoc. Prof. Yordan Yordanov, I would recommend him to strengthen the promotion of his research and contributions internationally, by increasing the number of publications in foreign scientific journals. The monograph, presented as a habilitation thesis, in particular, contains extremely useful analyzes and discoveries regarding the modern Bulgarian capital market, which should be made available to the widest possible range of specialists, potential investors and students in this field.

8. Conclusion

The above-mentioned facts and findings regarding the previous teaching and research activity of the candidate in the competition Assoc. Prof. Dr. Yordan Yordanov, as well as the fulfillment of the requirements and criteria of LDASRB and RDAS in Economic University-Varna, are sufficient reason to recommend **Assoc. Prof. Dr. Yordan Vassilev Yordanov to be elected to the academic position "Professor" in the Department of Finance of the Economic University - Varna.**

21.07.2022

Sofia

Signature:

/Prof. Dr. Dimitar Nenkov/

Заличена информация съгласно
ЗЗЛД и регламент (ЕС) 2016/ 679

ACADEMIC REVIEW

By: Prof. Dr. Stefan Hristov Petranov
Professional area 3.8. Economics
SU "St. Kliment Ohridski"

Subject: scientific contest for the academic position "Professor" in Professional area 3.8. Economics, scientific specialization "Finance, monetary circulation, credit and insurance (Financial investments)"

1. Information about the contest

The scientific contest is for the needs of University of Economics - Varna (UE-Varna) and it is announced in State Gazette No. 27/05/04/2022. I participate as a member of the Scientific jury for the contest according to Order RD 06-94/27.06.2022 of the Rector of University of Economics - Varna.

2. Information about the candidates in the academic contest

There is only one participating in the scientific contest candidate – Assoc. Prof. Dr. Yordan Vassilev Yordanov. For the contest, he has submitted for review a set of materials, including the following documents:

- CV
- List of Publications:
 - a/ list of all publications
 - b/ list of publications submitted for participation in the contest
- Reference on fulfillment of the minimum national requirements for the relevant scientific field;
- Information about the additional quantitative requirements of UE-Varna;
- Reference on citations with full bibliographic description of cited and citing publications;
- Reference on original scientific contributions;
- Research works submitted for participation in the contest;
- Abstracts of peer-reviewed publications;
- Reference on teaching load

- Reference on supervision of doctoral students
- Declaration of originality

Yordan Yordanov is currently an associate professor at the Varna University of Economics, where he lectures courses in Financial Investments, Financial Management, Investment Management in Insurance and Social Security, Introduction to Finance, Portfolio Management, Financial Derivatives. Also, he has teaching experience in different periods of his professional career in a number of higher education institutions, such as the University of Economics - Krakow, the Medical University - Varna, the Technical University - Varna and the Free University - Varna. In the initial period of his professional career, Assoc. Prof. Yordanov has practical experience, both in the real and in the financial sector of the Economy.

Assoc. Prof. Yordanov has a PhD and a Master's degree in Finance from Loughborough University (Great Britain), master's degree in "Finance, credit and insurance business" from FA "D. Tsenov", Svishtov, as well as postgraduate qualification from the University of Delaware (USA). The topic of his doctoral dissertation is "Size Anomaly on the London stock exchange. An Empirical Research".

In addition to his rich teaching experience, Associate Professor Yordanov also participates in research and educational projects. These facts from Assoc. Prof. Yordanov's professional development present him as an economist with serious academic and life experience and as a well-established university teacher.

3. Fulfillment of the requirements for occupying the academic position

Assoc. Prof. Yordanov participates in the academic contest with an impressive academic production. The list submitted for the academic contest includes the following publications of his - 2 monographs, of which 1 as a co-author, 6 studies, of which 1 as a co-author, 5 scientific articles, of which 3 as a co-author, 6 scientific reports, 1 textbook as a co-author and other publications. The publications are in two languages - Bulgarian and English and are issued by authoritative academic publishing houses and periodicals. They are presented in the documentation for the academic contest, and their total volume is 1110 pages. In addition, a reference on supervising PhD students and a reference for teaching workload at UE – Varna are presented. Another reference presented shows that various publications of Assoc.

Prof. Yordanov have been cited in scientific publications, referenced and indexed in world- renowned data bases with scientific information (Scopus or Web of Science) 10 times, in monographs and collective volumes with scientific review 2 times and in non- refereed journals with scientific review 12 times.

Based on the above publications as well as on the other documents submitted for the academic contest and also according to the current scientometric indicators, Assoc. Prof. Yordanov meets the minimum national requirements by Art. 2b of the Law on the Development of the Academic Staff in the Republic of Bulgaria (ZRASRB). He also meets the quantitative requirements, according to Art. 77 item 5 of the Regulations for the development of the scientific staff of the UE - Varna. This is also reflected in Protocol 1/07.06.2022 from the first meeting of the Scientific jury, appointed for the purpose of the present scientific contest.

4. Assessment of teaching activities

From the information in Section 2, it can be seen that Associate Professor Yordanov has extensive teaching experience in various higher education institutions and in various academic disciplines. His scientific field and the disciplines taught by him correspond fully with the subject of the present academic contest. This gives me reason to consider that he has the necessary academic competence and experience to occupy the academic position of "professor".

5. General characteristics of the presented scientific publications

The applicant has submitted a complete list of publications in which he is the sole author or co-author, as well as a list of peer-reviewed publications related to the present academic contest. The first list includes a total of 35 publications, while the second list consists of 19 scientific publications, as well as 1 educational and other popular science publications.

Assoc. Prof. Yordanov's scientific activity definitely makes a very good impression. His publications are focused on the problems of the financial system and more precisely on its non-banking segment. The relevance of such a research field is beyond doubt given the international trend towards financialization that has emerged in recent years, and also given the rapid development of the financial sector in Bulgaria. The methodology used is adequate and meets the accepted scientific standards, the bibliography is contemporary and rich. One of the positive features of

the publications in general is that they examine not only the Bulgarian financial markets and their problems, but also the international financial markets.

Within the research area of the non-banking financial segment, the scientific publications with which Assoc. Prof. Yordanov participates in the academic contest can be tentatively grouped into four groups. The first group is focused on the study of the problems of the capital market in Bulgaria in a broad context. It includes publications numbered 2.5, 3.5, 4.2¹, as well as the author's main monograph, which is presented as a habilitation thesis.

This monograph - "Development of the capital market in Bulgaria: growth of errors or errors of growth" is of particular interest. It is essentially a critical review of the development of the capital market in Bulgaria for the last 20 years and synthesizes many of the conclusions and results of the author's other research. The monograph presents an objective, from a factual point of view, retrospective of the development of the organized stock and bond market in Bulgaria. But the main thing in it is that it analyzes many of the real problems of the Bulgarian capital market, which currently hold back its development and lead to it not being an attractive alternative for individual and institutional investors. The conclusions reached by the author regarding the overall picture are highly critical, but well-founded.

The monograph explores a wide range of issues. They include the possibilities of extracting side benefits by the majority owners (so - called tunneling), the weaknesses of corporate governance practices, the dividend policy, the insufficient protection of minority shareholders, the direct and indirect connections between issuers and institutional investors, the failure to fulfill fiduciary duties by the management of the issuers and by financial institutional investors. Against the background of these problems, the author comes to the conclusion that the period after 2008 can be defined as a period of "error growth". But at the same time, in the concluding section of the monograph, he also offers his views on measures that could contribute to overcoming or at least mitigating the identified problems.

The other publications in this group also examine the state of the capital market in Bulgaria, but are more narrowly focused on one issue or group of issues. Researching the primary and secondary stock markets in Bulgaria, the author comes to the conclusion that these markets have significant potential, but their development

¹ The numbering is according to the LIST of scientific publications for participation in the academic contest presented in the documentation.

is hindered by the institutional frame of the property rights, by the problems in corporate governance and the high concentration of ownership in listed companies. In the same context, but in other publications in this group, the author analyzes the reasons for the high rate of personal investments in low-income banking deposits and relates this tendency to the above problems, as well as to the degree of horizontal and vertical trust of the individual investors, respectively to the other market participants and to the state and market institutions.

The other groups of publications examine not the capital market as a whole, but the markets of individual asset classes. One of these groups is related to the functioning and specific technical characteristics of the stock markets. Publications numbered 2.2, 2.6, 2.7, 3.1, 3.4, 4.1, 4.5, 4.6 belong to it. They examine various aspects of these markets such as possible anomalies, trends in investment funds' returns, and the presence or absence of weak-form efficiency for these markets.

Another group of publications covers those of them that are dedicated to debt financial instruments markets. In this group I include those with numbers 2.3, 2.4, 4.3, 4.4. They analyze the legal basis regulating the issuance and trading of bonds in Bulgaria and some of its weaknesses, allowing loss of rights for the bondholders. The main parameters of corporate bonds issues traded on the Bulgarian Stock Exchange are analyzed as well as different trends on the Bulgarian market are compared with similar processes on the European corporate bonds markets.

Relatively few publications are presented in the fourth group, but this does not make them less valuable. They analyze financial instruments that are not traded on organized markets. Publications 3.2, 3.3 can be classified in this research area. In the first of them, the activity of venture capital funds is discussed, and the author argues that these funds have positive effect on the development of local economies, because companies that are supported by venture capital funds tend to overcome more successfully the periods of economic decline. The second article presents the principles and forms of the so-called climatic derivatives and also it examines the possibilities for their application under the conditions prevailing in Bulgaria.

6. Assessment of scientific and scientific-applied contributions

In the publications of Assoc. Prof. Yordanov there are a number of scientific-theoretical and scientific-applied contributions. They are naturally concentrated in the area of the functioning of the capital markets, given the general focus of his

research activity precisely on this field of study. From the scientific-theoretical contributions, I would highlight the following:

- The identification of the obstacles for the development of the organized markets for financial instruments in Bulgaria with a focus on problems and malpractices particularly for corporate bond issues, as well as the proposed measures to reduce the identified weaknesses;
- The proposed apparatus for testing the weak form efficiency hypothesis with the help of non-parametric tests - test for serial sequence and Markov Chains, as well as the documentation of certain anomalies for the Bulgarian stock market;
- The identified low ratio between systemic and idiosyncratic risk for many of the issues traded on the Bulgarian Stock Exchange, as well as the theoretical explanation for such a ratio;
- The analysis of the concentration in the capital structure for the issues that are traded on the Bulgarian Stock Exchange and the resulting problems for the corporate governance practices, as well as the arguing on this basis for the existence of a "Principal-Principal" problem.

Among the scientific and applied contributions, I would distinguish the following:

- Documenting anomalies related to excess distribution of the return in a number of issues traded on the BSE;
- The established presence of opportunities for bargaining power on the side of the issuing company vis-à-vis bondholders in cases of restructuring of a number of bond issues traded on the BSE;
- The presented analysis of behavioral parameters of individual investors in Bulgaria in terms of confidence and trust in the capital market.

7. Critical notes and recommendations

I don't have any essential critical notes for the presented materials or more generally for the application of Assoc. Prof. Yordanov. I allow myself only to recommend him to continue forward with his in-depth research of the problems of

the state and development of the Bulgarian capital market. Moreover, now there is an ongoing process of creating a Capital Markets Union within the EU, and the effectiveness of Bulgaria's participation in it will have a serious impact in the future on the financing possibilities for the Bulgarian economy.

8. Conclusion

Based on the arguments presented above, as a summary, I believe that the teaching experience of Assoc. Prof. Yordanov, as well as the scientific contributions contained in his publications, meet all the requirements of the Law on the Development of the Academic Staff in the Republic of Bulgaria (ZRASRB) and of the Regulations for the implementation of the ZRASRB. The submitted materials for the academic contest fully comply with the specific requirements of the Rules for development of the academic staff at UE-Varna. All this gives me reason to express my positive evaluation of his candidacy and I recommend to the members of the Scientific Jury to propose Associate Professor Yordan Vasilev Yordanov, Ph.D., for the academic position of "Professor".

06.08.2022

Signature :

Заличена информация съгласно
ЗЗЛД и регламент (ЕС) 2016/ 679

Prof. Dr. S. Petranov