Report on Master Thesis

Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague

Student:	Josef Pokorný
Advisor:	Jaromír Baxa
Title of the thesis:	International taxation and cross-border mergers and acquisition

OVERALL ASSESSMENT (provided in English, Czech, or Slovak):

Please provide your assessment of each of the following four categories. The minimum length of the report is 300 words.

Contribution

The thesis estimates the effects of differences in international tax rates on the location decisions of merges and acquisitions. Hence, it tries to evaluate to what extent the firms are willing to acquire a foreign company in order to decrease its effective taxation via tax optimization. It is shown that these motives are important in firms' decisions, and these results are illustrate on case study and using a large dataset compiled by the author from two existing databases. The problem studied by the author is surely relevant for the current discussion, i.e. whether to harmonize the corporate tax base in the EU and others.

Methods

In the empirical part, Josef Pokorný employs a multinomial logistic regression. This choice is definitely relevant for the problem discusses, and the methodology is well implemented.

Literature

No reservation here.

Manuscript form

The thesis is well-structured, well-written and nice to read. More those ones like this, please!

Summary and suggested questions for the discussion during the defense

This thesis is almost perfect. It provides an accessible broad introduction to the problem, and its relevancy is explained on a few but persuasive examples. The empirical part is decent as well.

My personal question is related to Figure 7.1. There, the author provides the estimates of the impact of tax difference to national tax collections. While on the top of the plot, one finds natural candidates, I think that position of some other countries is worth of further investigation. In particular, I'd wish to know why countries such as Finland, Denmark, Sweden are among the most beneficiaries, while France, Spain, Belgium or Estonia on the bottom. Is it just because the time frame is kind of specific, is it driven solely by the corporate tax rates or based on what?
(Note: x-y plot between corporate tax rates and the effect on tax revenues could help.)
It might not be an ideal question for the defense, but since I'm curious, I'll be more than happy to receive the answer via email.

Overall, the thesis shall receive grade A without hesitation, of course depending on the final defense.

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SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
Contribution *(max. 30 points)*	29
Methods *(max. 30 points)*	29
Literature *(max. 20 points)*	20
Manuscript Form *(max. 20 points)*	20
TOTAL POINTS *(max. 100 points)*	**98**
GRADE *(A – B – C – D – E – F)*	**A**

NAME OF THE REFEREE: *Jaromír Baxa*

DATE OF EVALUATION: *September 6, 2019*

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

CONTRIBUTION: *The author presents original ideas on the topic demonstrating critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics. There is a distinct value added of the thesis.*

Strong   *Average*   *Weak*
30   *15*   *0*

METHODS: *The tools used are relevant to the research question being investigated, and adequate to the author's level of studies. The thesis topic is comprehensively analyzed.*

Strong   *Average*   *Weak*
30   *15*   *0*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong   *Average*   *Weak*
20   *10*   *0*

MANUSCRIPT FORM: *The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. The text effectively refers to graphs and tables and disposes with a complete bibliography.*

Strong   *Average*   *Weak*
20   *10*   *0*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F