

Report on Bachelor Thesis

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

Student:	Ayxan Abbasli
Advisor:	Doc. Ing. Tomáš Cahlík, CSc.
Title of the thesis:	Impact of Terrorism on Foreign Direct Investment: Analysis of BRICS Countries

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

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

Ayxan makes an econometric study on the impact of terrorism on FDIs in BRICS countries. Previous analyses are mostly about the impact of terrorism on GDP growth and use panel data for all world countries (with accessible data). Ayxan's contribution is in the use of a different than usual set of countries and in an up-to-date time period.

Methods

Ayxan used STATA so I have not had the possibility to check his methods in detail. His use of methods is acceptable for the bachelor's level, especially if we take into consideration that he has had just Econometrics I. More comments follow in the last part of this report.

Literature

Ayxan has a literature review on the link between economic performance and terrorism in his 2nd chapter. In his 3rd chapter, he summarizes FDIs – with the use of some more references and in his 4th chapter, he summarizes terrorism – again with the use of some more references. I think he works with literature well.

Manuscript form

Is OK.

Summary and suggested questions for the discussion during the defense

Ayxan has written his thesis about an interesting topic. He builds up on previous analyses and contributes with using a not so usual dependent variable, a specific set of countries and an up-to-date time period.

What follows are comments on his methodology:

- Page 18: „GDP per capita will be used and referred as a proxy measure for economic growth.“ Log(GDP) would be a better proxy.
- Page 20: I do not see any link between the use of panel data and “offsetting the multicollinearity problem”.
- Ayxan works with a long panel, FD estimator could help with diminishing the problems with potential unit roots (but this is not covered in Econometrics I). But, it is surely necessary to remove both cross-sectional and time fixed effects, I do not know if Ayxan has done both.
- Page 25: Null hypothesis claims homoscedasticity, not homogeneity (but this is probably just a language mistake). The problem is that with Ayxan's data all tests are weak, I would recommend him to use the robust standard errors anyway.

Ayxan's contribution is limited by the weak points in his methodology,

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

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Ayxan has shown the ability to deliver a cultivated text and to use econometric methods on a level appropriate to the bachelor's degree. In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade C.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	18
<i>Methods</i> (max. 30 points)	17
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	75
GRADE (A – B – C – D – E – F)	C

NAME OF THE REFEREE: *Doc. Ing. Tomáš Cahlík, CSc.*

DATE OF EVALUATION: *May 19th, 2021*

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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