Report on **Bachelor Thesis**

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

Student:	Matěj Mišoň
Advisor:	Jiří Novák M.Sc., Ph.D.
Title of the thesis:	Deferred tax as an indicator of earnings management

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

Short summary

The submitted bachelor thesis deals with the topic of deferred tax items and their potential to explain earnings management in firms. The extent of the work is adequate, comprising ca. twenty pages introducing the framework, explaining the fundamental concepts, defining key vocabulary, elaborating on the econometric research and providing interpretations.

The thesis itself is nicely structured and it is obvious the author got familiar with relevant research made in the field. The econometric part seems to be done completely and I appreciate a systematic approach in answering all the formulated hypotheses. I do nevertheless have a couple of comments or recommendations:

Contribution

While I understand the requirements for bachelor theses, I would consider this section to be a major weakness of the thesis. Most of the variables are not statistically significant and the author himself acknowledges that it „is very difficult to detect earnings management altogether. Earnings management is due to its nature almost impossible to find."

Methods

In my opinion, the procedure used to deal with the topic is legitimate. The author heavily relied on a standardized methodology previously introduced by Phillips J. D., Pincus, Rego, & Wan (2004) but applied on a different dataset.

Literature

The author has worked with a broad range of foreign literature. Overall, I consider the literature review to be satisfactory.

Manuscript form

I do not have any objections to the manuscript form. I would only suggest having the text proofread in order to eliminate typos. Also, a language correction would be helpful to rephrase ambiguous formulations.

Overall evaluation and suggested questions for the discussion during the defense

Apart from the small imperfections mentioned above, I consider the thesis to be a solid piece of work and I am convinced the author fulfilled all requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University.

The results of the Urkund analysis indicated only a minor text similarity with other available sources.

Overall, I recommend the thesis for the defense and suggest a grade A.

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	27
Methods	*(max. 30 points)*	29
Literature	*(max. 20 points)*	20
Manuscript Form	*(max. 20 points)*	18
TOTAL POINTS	*(max. 100 points)*	**94**
GRADE	**(A – B – C – D – E – F)**	**A**

NAME OF THE REFEREE: Oliver Polyák

DATE OF EVALUATION: 27.8.2021

Digitally signed (27.8.2021)
Oliver Polyák

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Referee Signature