

Report on Bachelor / Master Thesis

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

Student:	Petra Suntychová
Advisor:	Jan Šíla
Title of the thesis:	Impact of Electric Vehicles adoption on automotive companies stock performance

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

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

Short summary

This thesis aims to explain sensitivity of car manufacturer's stock price on a factor of how much of monthly production electric vehicles (EV) contributed. The author claims that as EV market gains on size and popularity, it is desirable to inspect influence of EV adoption on portfolio performance.

Contribution

The thesis constructs a factor of EV car sales in the US. Then it proposes to test the sensitivity of stock prices of the EV manufacturers to it. Using portfolio sorts the thesis wants to estimate this relationship and find out whether or not this effect is priced in. However, the discussion about the results is extremely poor and it does not really answer the question posed by the title. Not even the title of the subsection is changed from the template.

Methods

Although portfolio sorts are commonly used in literature, I am not sure they are correctly applied in this case. There are a couple of things that are confusing as to how the application was constructed. The author claims the sales are monthly observations, yet she uses daily data. So is the regression done on the same factor's value across the month? Then it is just another component of the constant.

Also, it is not necessary to include several pages on the introduction of OLS and t-test in the thesis to fill up the space. I would rather expect the connection of factor models to the sensitivity of the stock price and the mechanics behind this. It is not clear what is being estimated and how. Basically, the whole actual methodology of the work is skimmed through in two paragraphs.

Literature

The literature review is the strongest section of the work. Yet, the topic suggests we will find out about the performance of car manufacturers, which is missing in here. It is a chapter on the description of the EV market. There are not as many citations in the text, although there is a decent number of references in the bibliography.

A quick note: The reference Cattaneo et al (2019) does not seem to mention the optimal split of the sorts.

Manuscript form

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The work opens with a subtitle Master's thesis, which already points towards a hasty completion. Other formal things are missing, such as list of tables or figures (there are not any, though). The sole output is a table, which is not even labelled and recorded in the List of tables. There are typos in general text, errors in the Math module of LaTeX and strange characters at some places. Likely due to unresolved issues with typesetting.

Overall evaluation and suggested questions for the discussion during the defense

In my opinion, the topic of EVs itself is interesting. The most challenging in this case is the lack of reported data on EV sales and their relatively short duration in the market. The work is clearly done in a haste and does not offer much of an insight, nor does it demonstrate the author's understanding of the problem and its solution. I advise for it to be reconsidered and rewritten.

For the defense I would suggest to talk about the methodology behind this work and to explain the results.

In my view, this theses in its current form does not fulfill the requirements for a bachelor thesis at IES.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	5
<i>Methods</i> (max. 30 points)	10
<i>Literature</i> (max. 20 points)	10
<i>Manuscript Form</i> (max. 20 points)	10
TOTAL POINTS (max. 100 points)	35
GRADE (A – B – C – D – E – F)	F

NAME OF THE REFEREE:

DATE OF EVALUATION:

Digitálně podepsáno
(29.8.2021):
Jan Šíla

Referee Signature

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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.*

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.*

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

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.*

Overall grading:

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