

Report on Bachelor / Master Thesis

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

Student:	Tihana Ibrahimpaišić
Advisor:	PhDr. Jana Chvalkovská
Title of the thesis:	Corporate Governance Index for the Prague Stock Exchange and Zagreb Stock Exchange Listed Companies

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

Master thesis “Corporate Governance Index for the Prague Stock Exchange and Zagreb Stock Exchange Listed Companies” focuses on comparison of corporate governance practices between selected companies listed on the Prague and Zagreb Stock Exchanges. The aim of the study was to develop an index that would measure company’s performance in terms of various corporate governance indicators. Results for selected companies were aggregated on the national level and two countries were compared. The initial hypothesis that stated that the Czech companies should have better corporate governance than the Croatian companies was proven.

The thesis consists of two complementing parts: theoretical part and empirical part. The theoretical background is briefly described in Chapter 2, but the empirical part dominates the rest of the thesis. The thesis starts with the introduction into the problem, then it provides relevant literature, it describes data used and sets up methodology for the analysis. At the end it provides original results, discusses main findings and suggests some improvements for future research. Chapter 3 (“The Research Subject”) and Chapter 6 (“The Added Value and Suggestions for Further Research”) consist of only two pages each. Compared to 20-page long literature review or methodology, the distribution of chapters is little bit uneven. I would suggest to extend these chapters or to incorporate them into other chapters.

The construction of Corporate Governance Index, which was the main task of the thesis, was inspired by earlier researchers. Nevertheless, the author implemented recent Best Practice recommendations of the OECD in the index. Data were drawn from public databases, as well as from questionnaire that was sent to target companies. The collection of data through questionnaires is usually a great challenge for every researcher but it seems that the author accomplished this task excellently.

I appreciate author’s effort to contribute with her original findings, namely by construction of specific index that could be used also in other analyses. The results that were derived from the analysis using this index are based on a small sample on companies (not more than 14 in each country). Thus, it is not possible to generalise the results on the economies as a whole. For further research and namely for the application on wider range of countries it would be necessary to check the robustness of the model. Moreover, I have some doubts about deriving data from questionnaires for larger sample of companies. That method can be too data-demanding and consequently the index might not be applicable in practice.

From the thesis appearance and manuscript point of view the main merit is the use of sophisticated English. Phrases are very well-structured and statements are precisely communicated which indicates that the author read a lot of scientific articles and is familiar with the style in which a research paper should be written. However, there are some shortcomings, i.e. the lack of pagination in quotations and paraphrasing and in lists of tables and charts.

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The noticeable formal mistake in the thesis is the use of wrong title in the name of author's supervisor ("PhD." instead of "PhDr."). Although it looks as a "cosmetic" mistake these two titles represent completely different academic positions. This mistake makes thesis look somewhat slovenly, in spite of the fact that, in my opinion, the author was dedicated to the subject of her research and, with no doubt, she spent a lot of time by writing her thesis.

All in all, the work is written with diligence and it is evident that the author made a great effort to collect data, to analyse them and to contribute to corporate governance theory with new methods and original results. I believe the author has a huge potential for further research. In the case of successful defence, I recommend "**výborně**" (**excellent, 1**).

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	28
<i>Contribution</i> (max. 30 points)	27
<i>Manuscript Form</i> (max. 20 points)	17
TOTAL POINTS (max. 100 points)	92
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *PhDr. Tatjana Vukelić*

DATE OF EVALUATION: 20 June 2012

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Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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

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

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

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 POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě