

Report on Bachelor / Master Thesis

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

Student:	Bc. Jiří Jansa
Advisor:	Mgr. Barbara Pertold-Gebická, Ph.D.
Title of the thesis:	Fair Bets in Sports Betting

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

I have to admit that the topic of Jiří Jansa's thesis doesn't fit into my research interests. Nevertheless, as one of the people responsible for the master thesis seminar, I had the opportunity to watch Jiří's work closely over the last year and compare it with other master theses completed at the Institute of Economic Studies. Jiří's thesis is better than most of those submitted for defense this semester. I consider his thesis a good, thorough, and careful analysis and believe he deserves an A.

Jiří analyzes the betting market in the Czech Republic, focusing on the ice-hockey league (extraliga). He tests several definitions of market efficiency and tries to construct a profitable betting strategy using econometric methods. I like the structure he chose for the thesis; I enjoyed reading about the distinction between betting and lottery. Jiří does a very good job in summarizing his research in the Conclusion. His findings include: 1) margins of different betting agencies vary significantly and systematically, 2) the margins don't converge in time, 3) quoted odds don't correspond to real probabilities, 4) it's profitable in general to bet on home outsiders, and 5) we can construct a long-term profitable strategy using simple econometric methods. Jiří uses various advanced techniques to deliver the results (seemingly unrelated regressions, kernel regression, and ordered logit, to name a few) and shows he understands them. I have no objection to his analysis, but would like to see a few clarifications and adjustments in the revised version of the thesis for the "rigorous exam."

Jiří, you should pay more attention to writing. Your English isn't bad, but a careful proofreading will help you; I saw many typos (way too many to mention them here). You should read your texts again and again and revise and rewrite. On the other hand, the thesis is typeset beautifully in LaTeX: this is how master theses should look like. On a different note, you should make clear whether or not your "profitable strategy" is evaluated out of sample. Does the shortcut WC have another meaning except from the one commonly used? Probably yes, but please, write the meaning in full, whatever it is. All regression tables should state what the response variable is (and I would also round the numbers to two or three decimal places). You should use the m-dash for parenthetical expressions, you should put links to footnotes after punctuation marks, and you shouldn't confuse the accent (´) with the apostrophe (').

I could see that you enjoyed writing your thesis. That's good, the output is great, and you should apply for PhD studies at our Institute.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	16
<i>Methods</i> (max. 30 points)	28
<i>Contribution</i> (max. 30 points)	26
<i>Manuscript Form</i> (max. 20 points)	15
TOTAL POINTS (max. 100 points)	85
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *PhDr. Tomáš Havránek*

DATE OF EVALUATION: 19.1.2012

Referee Signature