

Report on Bachelor Thesis

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

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Title of the thesis:	The Impact of an Announcement of a New Car Model on the Price of Stocks of Automobile Companies

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

The presented thesis investigates the relationship between the announcement of a new car model and the next day's stock return as well as the next day's stock price volatility. This effect is investigated on a basket of car producing companies and the study investigates direct as well as cross effects.

Chapter 1 introduces the thesis, Chapters 2 - 3 deal with a theoretical description of the problem. This theoretical part is written in an easily understandable language, the division into subtopics is logical and support good readability of the work. Chapter 4 focuses on dataset description and is slightly lengthy for my taste. The author describes the recent history of all car producing companies chosen in his reserach which contributes little to the main results of the thesis.

Chapter 5 covers the econometric analysis. I appreciate the large spectrum of studied effects. Even though a list of econometric tests is noted on p. 11, I was unable to find their results (mentioning them in a footer would suffice). Before investigating the effect of news on stock price volatility, stationarity of returns' series should be checked. Lastly, the returns of all included stocks contain significant outliers, it might be worth to re-estimate the models with excluded outliers to see their effect on the final results.

Apart from these minor drawbacks, I think this is a good thesis and deserves a corresponding grade.

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	25
Contribution (max. 30 points)	25
Manuscript Form (max. 20 points)	15
TOTAL POINTS (max. 100 points)	85
GRADE (1 - 2 - 3 - 4)	1

NAME OF THE REFEREE: Mgr. Daniel Benčík

DATE OF EVALUATION: June 9, 2013


Referee Signature