

Report on Master Thesis

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

Student:	Bc. Jean Lacroix
Advisor:	Mgr. Magdalena Patáková
Title of the thesis:	Terrorism and market risk assessment

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

The thesis deals with an actual issue of assessing market risk linked to terrorist attacks and its perception by markets' participants. The author focuses particularly on the propagation of the risk among markets, the explanation of the possible differences observed among markets and also the specificity of the returns' distribution after terrorist attacks.

In the first part, a broad literature review is provided containing relevant sources which are discussed extensively and quoted in a proper way. A comprehensive theoretical background follows demonstrating author's full understanding of the topic.

Secondly, the core part presents the methodology and the empirical model itself. The author focuses on 15 indexes before and after 9 terrorist attacks between 1995 and 2007 and in the second part compares 4 sectoral indexes with the NASDAQ 100 during the same period. The heteroskedasticity based estimator is the main measure used. The data are well described and applied methods are appropriate for hypotheses testing. The author interprets results and interesting policy implications very clearly and using critical thinking. My only recommendation is to enrich the data set with more recent events.

Last but not least, the thesis is well structured and its content logically organized. Except for few language imperfections the author uses appropriate style.

Overall, the author addresses a currently relevant topic and provides a detailed comprehensive analysis which contributes to the existing academic literature considerably. Therefore, I recommend the thesis for the defense and I believe Jean deserves grade 1 – excellent.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	19
<i>Methods</i> (max. 30 points)	26
<i>Contribution</i> (max. 30 points)	27
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	90
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Mgr. Magdalena Patáková

DATE OF EVALUATION: 14.6.2015



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