

Report on Bachelor / Master Thesis

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

Student:	Ján Selep
Advisor:	Michal Bauer
Title of the thesis:	Cheating Behavior in Football

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

The thesis is focused on applying analytical instruments of economics on corrupt behavior in sports. Long term statistical evidence documenting football matches in German Bundesliga is provided and analyzed. The author is using 8326 matches played in top three German long-term competitions through years 1995 -- 2012. The championship is based on a point collection in a standings table divided by strict success margins, e.g. title or relegation. The margins lead to a non-linear incentive structure in which one point is worth more for teams close to the margin. Uncertainty about the final outcome, however, postpones the equilibrating effect to the last rounds of a season.

The author finds evidence of increased point earnings as a reaction on relegation margin closeness at the end of a season. Increased effort of the marginal teams cannot explain the findings as players exert no better performance in the incentive situation. In the same time, their opponents with long margin distance decrease their performance. In addition to that, evidence is provided on cheating cooperation by variance of players' performance. The variance does not react on the incentive situation suggesting that teammates behave in mutual agreement. Performance of referees seems to exert stable performance with no reaction on teams' incentives. Overall, the results show strong evidence of systemic point trading in German Bundesliga.

The thesis is structured as follows:

In the first section (Introduction) the author presents motivation oh his research and basic hypothesis.

In the second section the theoretical background, relevant literature overview and a formal model are provided.

The third section describes the collected data together with summary statistics.

Section 4 develops empirical models in an attempt to reveal incentive reaction of point earnings, referee and player performance.

Section 5 shows the results of the empirical model and offers their interpretation.

Section 6 provides conclusions with a discussion of the implications and possible future research enhancement.

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The author uses 29 relevant literature and data references. The text has 65 pages and used data are organized in 10 tables. In methodology of corruption identification the author develops ideas from Duggan and Levitt (2002).

The thesis is logically well organized bringing new interesting results and original findings. The results should be used as a starting point for the publication in a high quality professional journal.

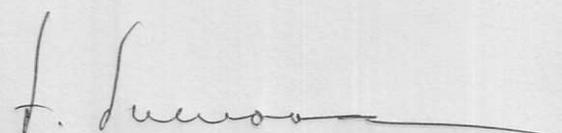
Considering original contribution and interesting topic that could be inspirational for applications also in other fields than in sports, I propose grade A.

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

CATEGORY	POINTS
Literature (max. 20 points)	18
Methods (max. 30 points)	30
Contribution (max. 30 points)	30
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	96
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: František Turnovec

DATE OF EVALUATION: 22.6.2014



Referee Signature