Report on **Bachelor / Master Thesis**

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

Student:	**Eliška Jelínková**
Advisor:	**Petr Janský, Ph.D.**
Title of the thesis:	**Estimating the Misalignment between the Locations of Profits and Economic Activities of EU's Banks**

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

Eliška Jelínková wrote an excellent, policy-relevant empirical thesis on the misalignment between the locations of profits and economic activities of EU's banks. The aim of her thesis was to estimate the misalignment using the best available data set – which was not in existence when she started working on her thesis and which she herself needed to collect first of all. She finds that EU's banks report their profits disproportionally to their economic activities in many countries and that some countries labelled as tax havens exhibit some of the largest misalignments.

Eliška made good use of the existing most relevant literature and applied empirical methods carefully, using a novel dataset that she collected. In terms of methodology, Eliška uses some of the most suitable methods available, often published only in the form of working papers because this is a relatively new and quickly developing field and relevant journal publications will surely follow in due course. Of course, Eliška might have applied a regression analysis to the data, but it did not seem suitable for the descriptive analysis intended and the results presented in the current form seem to convey satisfactorily rich information.

As an undergraduate thesis, the contribution to existing research is outstanding. She collects new data and answers a policy-relevant and very topical research question. However, in comparison with the currently published articles in top academic journals on related topics (which is, obviously, not a very fair comparison), Eliška's thesis might benefit from better writing and copy-editing, more powerful exposition of her contribution to the existing research as well as a better argument how her new empirical research links with the wider research literature (beyond misalignment and closely related topics) and how it is relevant to the broader international research discourse.

The practical contributions of Eliška's thesis are extraordinary for a student thesis. One of the major contributions of her thesis is the data set she managed to put together. Let me emphasise that she collected data that have never been collected to such an extent before. Although the data might be in theory collected by the European Commission or be accessible easily from the banks, this is not the case. Therefore, it is necessary to collect them from various bank's sources and formats by hand, as Eliška did in a very careful way. It might not be obvious from the thesis itself, but there is a large data set with very well done referencing of every data point (which was hard to exhibit in the thesis itself). This was a very time-demanding exercise, but also demanding in terms of accounting and finance expertise since reading the various annual reports requires specialised skills, which Eliška exhibited during her work on the thesis.

Due to her demanding study schedule, Eliška had a relatively slow start working on the thesis, but finished with a few very intensive months. This enabled her to have data for the year of 2015 and provide a preliminary look at the banks affected by Brexit in a separate section of the thesis (which links with the rest via the data used), but it might less fortunately lead to the fact that she was not able to study as wide range of economics literature as might be suitable for this kind of research (but not necessarily for an undergraduate thesis).

Overall, I am content with the results of Eliška's work. I believe that the quality and relevance of her work warrants a preparation of Grant Agency of the Charles University (GAUK) grant proposal that would enable her to collect even more data and deepen her empirical analysis and broaden the literature to which she relates. This effort should ultimately lead to a submission to some of the leading academic journals in the relevant fields of economics such as the International Tax and Public Finance.

In short, Eliška did a great job of writing a thesis and I recommend a grade of **excellent (výborně).**

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

CATEGORY		POINTS
Literature	*(max. 20 points)*	18
Methods	*(max. 30 points)*	25
Contribution	*(max. 30 points)*	30
Manuscript Form	*(max. 20 points)*	18
TOTAL POINTS	*(max. 100 points)*	**91**
GRADE	**(1 – 2 – 3 – 4)**	**1**

NAME OF THE REFEREE: **Petr Janský, Ph.D.**

DATE OF EVALUATION: **2nd September, 2016**   *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