Report on Bachelor / Master Thesis

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

Student:	**Bc. Markéta Burianová**
Advisor:	**Petr Janský, Ph.D.**
Title of the thesis:	**Determinants of the Demand for Tax Haven Operations: Empirical Evidence from the Czech Republic**

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

Markéta Burianová wrote an excellent empirical thesis on the current topic of tax havens and their use by companies. The aim of her thesis was to explore the firm-specific determinants of the demand for tax haven operations by Czech firms.

Markéta's thesis deals with three research questions that she links well with the existing literature. She asks whether large companies with international activities are more likely to engage in tax haven operations; whether high R&D intensity increases the propensity of a company to use tax havens; and whether lower firm indebtedness is connected with higher use of tax havens.

To answer her research questions she uses likely the best available data on international interconnectedness of firms and their financial information, Orbis by Bureau van Dijk. Markéta demonstrates her knowledge of the data as well as the econometric methods when working with them. She uses adequate and innovative approaches when identifying tax havens (also looking at individual tax havens; she carried out a separate analysis for each of the four major tax havens represented in our sample – the Netherlands, Switzerland, Cyprus, and Luxembourg) and measuring research and development intensity. Markéta's thesis is generally well-written, although a bit too lengthy in some parts (too lengthy for a potential journal article, but average for a thesis, due to the minimum limits).

Interestingly, Markéta's results suggest that R&D intensive firms were not as likely to use tax haven operations, which is in contrast with most of previous research. Unfortunately, her data did not enable a more detailed analysis answering why this difference with the existing research results. In contrast, I am not as surprised about the positive correlation between firm indebtedness and the use of tax havens, since this has been documented in some of the existing literature. In line with Markéta's expectations and the relevant literature, Markéta confirms a positive relationship between the firm size, internationality, and profitability, and the likelihood of tax haven use.

Overall, I am content with the results of Markéta's work I think that she should consider pursuing the publication of parts of the thesis in an academic journal. If she was able to rewrote and shorten her thesis, I believe that the quality and relevance of her work would warrant a submission to some of the leading academic journals in the relevant sub-fields of economics.

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

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

CATEGORY		POINTS
Literature	*(max. 20 points)*	20
Methods	*(max. 30 points)*	28
Contribution	*(max. 30 points)*	28
Manuscript Form	*(max. 20 points)*	18
TOTAL POINTS	*(max. 100 points)*	**94**
GRADE	*(1 – 2 – 3 – 4)*	**1**

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

DATE OF EVALUATION: **3rd June, 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