

Report on Bachelor / Master Thesis

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

Student:	Šarapatka, Jan
Advisor:	Jiří Novák
Title of the thesis:	"Catholic Religion, Corporate Governance, and Executive Compensation"

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

Jan finds out that top executives in firms headquartered in Catholic U.S. counties are paid more after controlling for conventional economic determinants of executive compensation. Furthermore, he investigates the reasons for the premium and he argues that top executives in Catholic counties benefit from their social ties and from weaker corporate governance in Catholic regions that allow them to extract rents from the firm.

I believe that the Thesis investigates an interesting question that has not been researched before. Jan provides a good review of the existing literature and he offers a compelling argument for how his Thesis connects to and extends past research on the economic impact of religion.

I think Jan performs a rather extensive empirical analysis in order to and identify the underlying reasons for the documented premium. He also performs a battery of robustness checks to give confidence that his results are not driven by alternative explanations.

The Thesis is written in good English and it is well structured.

Having considered the above mentioned merits of the Thesis my major objections are related to the way Jan presents the underlying story. I believe it would be helpful if Jan provided a clearer explanation of the suggested relationship between the considered factors perhaps accompanied with relevant evidence that supports individual links.

Taken together, I consider the Thesis to well meet the criteria for the best grade and I recommend the committee to award the grade A (1, výborně). I recommend the examination committee to ask Jan about the relationship he envisages between corporate governance and the premium in executive compensation in Catholic regions. The committee may also discuss potential limitations in the validity of used empirical proxies.

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

CATEGORY	POINTS
Literature (max. 20 points)	18
Methods (max. 30 points)	26
Contribution (max. 30 points)	28
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	90
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Jiří Novák

DATE OF EVALUATION: August 11, 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