

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Arun Denduluri</b>
<b>Advisor:</b>	<b>Prof. Evžen Kočenda</b>
<b>Title of the thesis:</b>	<b>Indian Premier League – The value of a player</b>

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

*Please provide your assessment of each of the following four categories. The minimum length of the report is 300 words.*

The thesis uses data on auction price and characteristics of players in Indian cricket league, and studies how they are correlated, with specific focus on age and previous performance.

### **Contribution**

Although the thesis contains a section on related literature and discusses other papers that studied variables that are correlated with value of the player during auctions, I have not a clear sense of what the contribution of the analysis presented in this thesis is. Does the author uses new explanatory variables? Or has more precise data about previously analyzed variables? Or just performs a similar analysis on an updated data set? Or estimation techniques? It seems the last one (using panel data), but it was not clear from the description whether Karnik has not used similar approach. I think the contribution needs to be clarified during the defense.

### **Methods**

The author uses different estimation techniques to investigate the relationship between players' characteristics and his price. He seems to be aware of the common estimation issues. But here are some questions:

The sample is based on price and performance data of 137 players over several years. However, they don't participate in the auction every year and the author assumes their price remained the same as during the auction they previously participated in. How important is selection to having price updated here? In other words, what fraction of players do not participate in the auction in a given year? Do observable characteristics predict participation in the auction in given year? This seems plausible because not participating implies that existing owner decided to renew their contract, which is likely to be correlated with their performance (and thus with one of the explanatory variables in the main analysis).

It seems one of the main questions of interest is how age affect player's price. The author finds only weak of evidence of positive linear relationship (in some specifications it statistically significant in others it is not). However, a plausible reason why the relationship is weak is that it would seem more natural to test for a non-linear (inverted u-shaped) relationship between age and price of the a player, because of the typical performance life cycle. In other words, the aim would be to identify the age range when players are valued most.

I don't understand the statement on p.35 that finding higher price paid for Indian players, as compared to international players, is a positive aspect. This interpretation needs elaboration, because this result may indicate discrimination against international players. Or, alternatively, there might be some efficiency reasons, if we assume that there are higher positive externalities (more role models for children, for instance) coming from having more Indian players playing in the domestic leagues.

### **Literature**

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Arun Denduluri</b>
<b>Advisor:</b>	<b>Prof. Evžen Kočenda</b>
<b>Title of the thesis:</b>	<b>Indian Premier League – The value of a player</b>

Literature review section discusses work closely related to cricket, and thus this area that is well covered. But overall it is quite narrow and does not try to relate the thesis to broader questions in economics.

Some effort in this direction is in the section „Behavioral economics and Sports“ at the very end of the thesis, where the author seems to suggest that teams act irrationally when evaluating the players. I did not understand the connection with the empirical part of the thesis. In other words, what piece of empirical evidence presented in the thesis supports the conjecture that teams are bidding irrationally? How do we know the optimal price? It's an interesting question, I just don't understand how your data can speak to this question. This is one area worth discussing during defence.

## Manuscript form

The thesis has somewhat odd structure. In particular, the thesis lacks an introductory section that would lay out the „big picture“ – the motivation, research question and why it is important, overview of methods and findings. Instead, the author starts with providing an overview about development of cricket as a game, its rules and the introduction of auctions of players. While this is all useful and interesting to read - given that the topic is quite original and it makes sense to familiarize a reader with the background -, it is hard to read through this material, unless I know what the focus/aim of the thesis is and should not be a starting point.

Also the form of the thesis could have received a bit more attention – size fonts in equations vary, some effort could have been given to formatting of some of the tables which were just pasted from stata, etc.

## Summary

Overall, this is a fine thesis. The topic is quite novel and fun to read about. In terms of grade, I think it is on the fence between grade B and grade C.

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution</i> (max. 30 points)	16
<i>Methods</i> (max. 30 points)	18
<i>Literature</i> (max. 20 points)	12
<i>Manuscript Form</i> (max. 20 points)	12
<b>TOTAL POINTS</b> (max. 100 points)	<b>58</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>2-3</b>

**NAME OF THE REFEREE: Michal Bauer**

# Report on Bachelor / Master Thesis

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

Student:	Arun Denduluri
Advisor:	Prof. Evžen Kočenda
Title of the thesis:	Indian Premier League – The value of a player

**DATE OF EVALUATION:**

*August 15, 2017*



---

**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	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě