

Report on Master Thesis

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

Student:	Bc. Josef Bajzík
Advisor:	doc. PhDr. Tomáš Havránek, Ph.D.
Title of the thesis:	Trading volume and expected stock returns: a meta-analysis

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

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

The author uses meta-analysis to investigate a relationship between expected stock return and trading volumes, taking into account 22 estimates from 46 previously published studies. The key findings of the author are that there is little to no relationship between trading volumes and expected stock returns and quantifies the contemporaneous effect on the estimated coefficient; that estimated coefficients from developing and smaller countries are lower than those from developed and large countries; and that the results published in more influential (and higher quality) journals tend to be generally lower.

Contribution

This seems to be the first meta-analysis on the topic in the literature which itself is an important contribution. I would be surprised if the author and his supervisor do not have plans to publish an edited version of this thesis as a paper in some impact factor journal. The achieved results (see digest above) themselves will be a major contribution to the field and the author's findings could be used in model calibration in future studies.

Methods

The author applies cutting-edge methods which shows that he has not only a good grasp on the scope of the literature covering expected stock return-trading volume relationship, but also of the basic and advanced/recently introduced meta-analytic techniques. I very much enjoyed the section 4 which partially serves as a literature overview on meta-analytic methods and which was my personal highlight (partially due to well crafted mathematical formulas). As I have never performed any meta analysis myself, I did not attempt in replicating the author's results or assessing the performance and suitability of selected methods.

Literature

The literature list is quite extensive which is to be expected in meta-analysis manuscript. Although I am normally reserved in including technical reports/working papers and other types of un-referreed publications, I understand their role in meta-analysis. The author follows a flawless citation style.

Manuscript form

The thesis is well structured and the author builds up the topic and provides smooth transitions between the main sections of the thesis. The reader thus can proceed quickly to the main results. I have already praised the author for a skilled presentation of mathematical formulas. I have also enjoyed the well balanced number of tables and figures inserted in key points of the thesis to improve the readability and to follow the arguments of the author.

On the other hand, I have found occasional typos and grammar mistakes (incorrect form of verbs mostly) and I believe another grammar check of the manuscript would improve the quality of the text.

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Summary and suggested questions for the discussion during the defense

The author accomplished all the goals formulated in the thesis proposal and the level of detail of the analysis of the topic makes this a high quality and illuminative text to read (and I don't say this to all theses involving meta-analysis). I am convinced that the manuscript has a potential to be published in a referred journal. For that and other reasons specified above, I suggest to award this thesis with **grade A**.

Suggested question for the defense: You have employed multiple meta-analysis techniques, some of which are brand new (e.g. by Isaiah Andrews and Maximilian Kasy 2019). Have you uncovered some weakness of the newly proposed methods which you could overcome and thus suggest your own modification/new method?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	29
<i>Methods</i> (max. 30 points)	29
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	17
TOTAL POINTS (max. 100 points)	95
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: *RNDr. Michal Červinka, Ph.D.*

DATE OF EVALUATION: *June 11, 2019*

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F