

# Report on Bachelor Thesis

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

<b>Student:</b>	<b>Martin Bosák</b>
<b>Advisor:</b>	<b>Petr Pleticha, M.Sc.</b>
<b>Title of the thesis:</b>	<b>Impact of zombie firms on the weak post-crisis growth of the Slovak Republic</b>

## OVERALL ASSESSMENT

Zombie firms as problematic firms have been investigated by several researchers in both financial and non-financial sectors in last years. As a result, the empirical testing productivity of these firms and discussing related consequences is topical. Martin Bosák investigates the topic as a case study on Slovak firms in the 2003-2013 period through standard econometric tools, what makes his thesis valuable.

### Contribution

Martin's contribution is two-fold. First, he supports evidence that zombie firms are significantly less productive than their healthy counterparts. Second, he reveals that these companies have a negative impact on productivity and employment of non-zombie enterprises within industries, what affects the Slovak economy negatively (through decline in overall productivity growth). The author is also aware of the limitations of his research and presents further research opportunities. However, there are no research hypotheses.

### Methods

The author applies standard methods used for this kind of research: Linear Probability Model, Logit and Probit. Robustness tests are also conducted. Description of all methods in Section 2.2 is adequate and all key references are listed.

### Literature

A 3-page literature on zombie firms seems reasonable. He builds his models on the relevant previous research studies including Caballero et al. (2008) or Adalet McGowan et al. (2017). He also compares his conclusions with Hoshi (2006), Adalet McGowan and Andrews (2015) and Andrews and Saia (2016), what makes them relevant and valuable.

### Manuscript form

The manuscript form fulfils the standard requirements on a bachelor thesis, which meets standard format requirements on bibliography and notes. Tables and figures well illustrates the investigated topic.

### Summary and suggested questions for the discussion during the defense

The author has developed a solid academic approach, reviewed the existing literature, identified and investigated open questions and drew relevant conclusions from that. To conclude, the thesis by Martin Bosák is written on the highly attractive subject. I consider it as a good piece of academic work and therefore **I propose Grade B from this thesis.**

Questions to the defense:

- 1) The author states that zombie firms had an approx. 6% market share in Slovakia in 2015. What is their share in Japan? Can Martin compare his results with Nakamura (2017)?
- 2) What are implications of Martin's research for Slovak policy makers in both short- and long-term horizons?

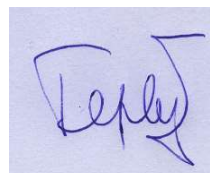
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## **SUMMARY OF POINTS AWARDED** (for details, see below):

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution</i> (max. 30 points)	27
<i>Methods</i> (max. 30 points)	26
<i>Literature</i> (max. 20 points)	17
<i>Manuscript Form</i> (max. 20 points)	18
<b>TOTAL POINTS</b> (max. 100 points)	<b>88</b>
<b>GRADE</b> (A – B – C – D – E – F)	<b>B</b>



**NAME OF THE REFEREE:** *Doc. PhDr. Petr Teplý, Ph.D.*

**DATE OF EVALUATION:** *May 17, 2019*

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**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