

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Haiying Zhang</b>
<b>Advisor:</b>	<b>František Čech</b>
<b>Title of the thesis:</b>	<b>The empirical research of cross-listed shares: The case of AH shares</b>

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

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

### **Short summary**

The submitted thesis studies the cross-listing of shares, i.e. issuing the shares simultaneously on several exchanges. The data from Chinese stock exchanges are used in the empirical application, and the author put emphasis on the relationship between shares listed on Shanghai and Hong Kong stock exchanges. The author finds out that the structural changes in 2014 represented by the Connect program do not have a huge effect on stock exchanges indexes or individual stocks.

### **Contribution**

The submitted has great potential for contribution as it studies the important topic of cross-listing of shares; however, the author does not fully utilize this potential. The biggest problem is a language of the work – it is very hard to follow the text.

### **Methods**

Methods used in the thesis are standard in the literature. The author provides a basic description of the methods, however, sometimes this description is misleading and hard to follow due to quality of the English. Results are commented in the very basic way – similar to the description of methods, language quality downgrades the quality of results as it is sometimes very hard to follow the text.

### **Literature**

The literature used throughout the thesis is sufficient, and the author demonstrates good knowledge of it. The connections between individual papers should be more clearly explained as sometimes it seems that each paragraph just summarizes the individual paper. Some references mentioned in the text are missing in the bibliography, e.g. Bollerslev (1990). The author should also explain why the majority of the literature review is devoted to A-B shares and not A-H shares.

### **Manuscript form**

The manuscript form of the thesis is very weak. The quality of the English language is not very good, and consequently, it is very hard to follow text. There are many sentences that do not make sense to uninformed reader (e.g. p.3 „Overall, by including banking stocks, we can eliminate sector speculation (e.g., pharmaceuticals, IT sector) and dramatic volatility of small-cap companies from our analysis, thus truly understanding the effect and impact of the Connect on cross-listed shares.“ or p.16 „Cross-listing usually exists between the domestic stock market and the U.S. stock market in the European and American stock markets“). author further mention that „thesis also provides a perspective for investors looking for arbitrage opportunities in AH stocks“ however I was not able to find it in the thesis. The Connect program is defined several times in the thesis, and it is very disturbing while reading the text (same for other abbreviations). In a couple of paragraphs, words Mainland China are repeated in every sentence and sometimes twice in a single sentence. Name of Chapter 4 is not very good – the same name used for subchapter 4.2.

### **Overall evaluation and suggested questions for the discussion during the defense**

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During defense author should explain the economic motivation of the thesis as it is not very clear from the text. The author should also explain what she means when she wrote that Connect improved market correlation. Further, the author should clarify what „close geographical background“ is.

The results of the Urkund analysis do not indicate significant text similarity with other available sources. In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade E.

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution (max. 30 points)</i>	18
<i>Methods (max. 30 points)</i>	15
<i>Literature (max. 20 points)</i>	15
<i>Manuscript Form (max. 20 points)</i>	5
<b>TOTAL POINTS (max. 100 points)</b>	<b>53</b>
<b>GRADE (A – B – C – D – E – F)</b>	<b>E</b>

***NAME OF THE REFEREE: František Čech***

***DATE OF EVALUATION: 7.9.2021***

Digitálně podepsáno (7.9.2021):  
František Čech

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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.*

**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.*

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

**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.*

**Overall grading:**

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