

Report on Master Thesis

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

Student:	Enkhjargal Togtokh
Advisor:	PhDr. Milan Rippel
Title of the thesis:	CREDIT RISK MEASUREMENT: The case study of Mongolian Small and Medium sized firms

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

The presented diploma thesis applies the credit risk measurement techniques to a data set of small and medium sized Mongolian companies. The theoretical paper provides a solid overview of current credit risk regulatory framework as well as credit risk measurement techniques. The empirical paper then applies two commonly used credit risk measurement methods to a data set of Mongolian companies.

My objections to the diploma thesis are the following:

- The data set is quite small and potentially biased by selection methods (i.e. portfolio of only one bank).
- The introductory chapter should be shortened by leaving out parts not related to credit risk management (i.e. classification of operational risk).
- The empirical part could be further extended, i.e. by performing a comparative analysis or by employing some more advanced credit risk measurement methods.
- The author should state the hypothesis of her research and then evaluate the results against the hypothesis.
- Author is not respecting the citation rules. The list of sources does not contain all the relevant information (i.e. ISBN for books).
- The manuscript form could be improved (i.e. the heading styles are changing throughout the thesis).

The presented diploma thesis satisfies all the IES qualitative requirements to a satisfactory extend. Moreover, the thesis provides new insights into interesting problematic of credit risk management in Mongolia. However, author uses the widely used methods (Altman Z score and Logit model) and applies them to a relatively limited data set, so from the contribution point of view I would evaluate the thesis as being an average one. I recommend the diploma thesis for the defense and I propose to grade it as „**satisfactory**“.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	16
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	22
<i>Manuscript Form</i> (max. 20 points)	14
TOTAL POINTS (max. 100 points)	77
GRADE (1 – 2 – 3 – 4)	1-2

NAME OF THE REFEREE: PhDr. Milan Rippel

DATE OF EVALUATION: 29/01/2012

Referee Signature

