

Report on Bachelor / Master Thesis	
Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague	
Student:	Aleš Čornanič
Advisor:	Jiří Novák
Title of the thesis:	IPO Under-pricing: Evidence from the Central Europe

In his thoroughly elaborated master thesis, the author tries to explain an empirically observed phenomenon of IPO under-pricing. He mainly relies on theoretical conclusions of asymmetric information theory, which are then empirically tested using econometric techniques on data from Warsaw stock exchange.

The topic is very interesting and I have enjoyed reading this master thesis. The introduction is well written, the author clearly shows he understands the topic and is able to convey the message to the reader.

There is a clearly defined research task and the main questions the author is trying to answer. The first part of the thesis consists of an extensive and well written literature review. It is clear that the author has spent sufficient amount of time reading and preparing his work, well done.

The description and application of methodology is in line with academic standards. Nevertheless, I have found the description and interpretation of results rather lengthy and less easy to read.

With respect to the econometric analysis, I was quite surprise that the author does not try to estimate marginal effects, i.e. to quantify the probability of SPO after under-priced IPO. In addition, I was missing a more detailed discussion of weaknesses in the empirical method, especially in relation to extremely low R-squared figures, which could potentially be caused by the model under- or misspecification.

Despite these critical remarks, this thesis has a clear contribution to academic research and is well above the expectations. For that reason, I recommend grade “1 - výborně” for the thesis.

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

CATEGORY		POINTS
<i>Literature</i>	<i>(max. 20 points)</i>	18
<i>Methods</i>	<i>(max. 30 points)</i>	24
<i>Contribution</i>	<i>(max. 30 points)</i>	28
<i>Manuscript Form</i>	<i>(max. 20 points)</i>	15
TOTAL POINTS	<i>(max. 100 points)</i>	85
GRADE	(1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Goran Serdarevic

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