

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

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

Ales decided to analyze a very interesting issue of IPO underpricing. He designed the study to benefit from the CEE context where one can distinguish between privatized and regular IPOs, which certainly enhances the contribution of the thesis. He uses the empirica data to test the impications of sevaral theories that may be relevant in this setting.

The thesis features all the important qualities a good thesis should have: it has a clearly defined research question, it is rooted in theory and it uses rigorouns empirical data analysis to test the predictions of the theories and it uses data from a rather specific context that allow tha author to analyze the aspects of the thoeries that have not yet been tested before. I like the thorough literature review section and the discussion of the alternative theories as well as the batery of empirical tests he performs.

At the same time I believe the thesis would benefit from a more direct motivation of the contribution and from a better structure. The author is rather vague in arguing where the key contribution of the thesis is and the reader has to consider these arguments independently. At the same time the flow of the text is often not smooth, which distracts the reader and obscures the key message of the thesis.

Despite of these shortcomings the Thesis makes a decent contribution and it is fairly well crafted. Ales makes his research question clear in the very begnning, he makes very good reference to prior work and he is able to relate his own study to the existing ones. The thesis is based on a farily creative idea that has practical implications for individual investors. The results are based on an extensive quantitative analysis performed by the author. Therefore I recommend grade "**1 - výborně**" for the thesis. I recommend the examination committee to consider awarding the distinctions ("pochvala") in case Ales is able to well motivate the contribution of his thesis and clearly specify the key message at the oral defence.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	26
<i>Contribution</i> (max. 30 points)	28
<i>Manuscript Form</i> (max. 20 points)	16
TOTAL POINTS (max. 100 points)	88
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Jiří Novák

DATE OF EVALUATION: August 16, 2011

Referee Signature