

Report on Master Thesis

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

Student:	Bc. Jan Sedlář
Advisor:	Petra Andrlíková MSc.
Title of the thesis:	Does the Role of the Rating Prior to the Announcement Explain Different Influence of Credit Rating Downgrades and Upgrades on Stock Prices?

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

The thesis of Mr Sedlar deals with the effects that credit rating changes have on stock prices. The author presents a comprehensive set of hypotheses, ranging from whether rating downgrades influence stock prices more than rating upgrades, up to whether rating prior to its change plays a significant role in this effect or whether larger changes of ratings are perceived more strictly in the financial markets. The question of timeliness and causality that exists between credit ratings and perception on financial markets is a highly relevant one, and Mr Sedlar provides a valuable contribution to the academic research on this topic.

Occasional typos and weak structure of the Introduction chapter slightly deteriorate fluency of the text. However, the core part of the thesis – methodology, description of data, results and their implications are all easy to follow and properly described.

The literature review encompasses appropriate literature on the topic and is well presented. The applied methods are relevant for testing chosen research hypotheses and the results are interpreted correctly and clearly.

Overall, Mr Sedlar presents a comprehensive analysis and presents a relevant contribution to academic works in the field of Credit Risk research. I believe Mr Sedlar deserves grade A excellent.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	24
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	87
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *Mgr. Adriána Lelovská*

DATE OF EVALUATION: 4.6.2015



Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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

Strong Average Weak
20 10 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.*

Strong Average Weak
30 15 0

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.*

Strong Average Weak
30 15 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.*

Strong Average Weak
20 10 0

Overall grading:

TOTAL POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě