

## **Abstract**

Liquidity and informational efficiency are closely watched features of financial markets. Together with stock exchange size effect, captured by market capitalization, this thesis examines the triple of relationships among these three stock market properties. Applying methods of sequences and reversals ratio test, autocorrelation coefficient test and variance ratio test provided us with 14 proxy measures of efficiency for each stock. Daily prices and volumes traded for period 2003 - 2013 of 206 stocks sampled from 22 stock exchanges were used. The same data were used for Amihud illiquidity measure. The positive relationship between stock efficiency and liquidity was not strongly supported neither rejected. It turned out that stock liquidity is very strongly positively dependent on size of stock exchange where is that particular stock listed. It was also concluded that there are more efficient stocks listed in larger stock exchanged.

JEL Classification: G12, G14, G15

Keywords: stock liquidity, stock exchange size, stock efficiency

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