

Report on Bachelor / Master Thesis

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

Student:	Tomáš Rusý
Advisor:	PhDr. Jozef Baruník Ph.D.
Title of the thesis:	Understanding systematic risk of assets at various quantiles of return distribution

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

In this bachelor thesis Rusý is testing whether the beta of Capital Asset Pricing Model (CAPM) is constant through the quantiles of returns distribution. To achieve this goal the author is using the quantile regression model for estimating betas at different quantiles and Khmaladze test for testing whether beta is varying over the returns distribution.

The quality of research is in accordance with the level of studies of the author. I am satisfied with the way Rusý is doing the analysis and how he is interpreting the results. This being said, there are a couple of issues which if properly had been taken care would have resulted in much higher quality of this bachelor thesis:

- It seems the thesis is written „in a hurry“, and the author did not pay much attention to the text quality. Without going into details, most of the text needs revising.
- In Chapter 6, where Rusý is testing the constancy of CAPM beta through quantiles of returns distribution, it would have been good to bring some discussion and compare the results with similar works.

My overall evaluation is 83 points. In case of succesful defense of the thesis I recommend grade 1 (excellent).

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	30
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	10
TOTAL POINTS (max. 100 points)	83
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *Mgr. Krenar Avdulaj*

DATE OF EVALUATION: 21.01.2016

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