

Report on Master Thesis

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

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| Student: | Eva Smotlachová |
| Advisor: | Jozef Baruník |
| Title of the thesis: | Pricing of bonds and credit default swaps: Evidence from a panel of European companies |

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

The thesis is an original work studying determinants of European corporate bond and credit default swap (CDS) contracts using unique data. Understanding of the corporate bond and CDS pricing has been of major interest for the academic literature as well as government agencies in the recent years, hence the thesis is very topical, and provides interesting economic insights. The author collected unique dataset that allowed to test her economic hypothesis about pricing of contracts.

The structure of the thesis is logical, text is well-written, methodology well-described, and appropriate, empirical results are carefully discussed. Overall form of the thesis is on a very high level. Over the past year, author used my advisory services on the regular basis and we have discussed many issues in the methodology as well as text, which author managed to incorporate to the submitted version. For the successful defence, author only needs to explain main economic contribution of the work and prove the committee proficiency and knowledge in the topic.

In conclusion, I believe that the thesis is a very solid piece of work in all aspects, author have shown strong quantitative skills, and finally arrived to very interesting and potentially important results. Thus I fully recommend the thesis of Eva Smotlachová to be defended with grade excellent – 1.

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

| CATEGORY | POINTS |
|---|---------------|
| <i>Literature</i> (max. 20 points) | 20 |
| <i>Methods</i> (max. 30 points) | 30 |
| <i>Contribution</i> (max. 30 points) | 30 |
| <i>Manuscript Form</i> (max. 20 points) | 18 |
| TOTAL POINTS (max. 100 points) | 98 |
| GRADE (1 – 2 – 3 – 4) | 1 |

NAME OF THE REFEREE: Jozef Baruník

DATE OF EVALUATION: June 2, 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 |