

# Report on Master Thesis

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

<b>Student:</b>	<b>Petr Rýgr</b>
<b>Advisor:</b>	<b>Jozef Baruník</b>
<b>Title of the thesis:</b>	<b>Empirical evidence on pricing of contingent convertibles</b>

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

### **Contribution**

The thesis contributes to the challenging field of pricing of contingent convertibles. The author studies two crucial assumptions used in contingent convertible pricing, and based on the empirical findings proposes an improved modeling strategy for credit derivatives model.

### **Methods**

The author shows a good command of the methodologies used in pricing of contingent convertibles. The topic is challenging, but the methodological approach to the hypotheses stated in the introduction is relevant and correct.

### **Literature**

The author demonstrates a good understanding of the current literature, and works with state of the art literature. Relevant literature is discussed in the text and used for developing own novel approach to yield curve modeling.

### **Manuscript form**

The text is logical, well written, connects findings to the existing literature well. Petr worked consistently to obtain the results for a long period, and he used my advisory to consult the form of the manuscript before final submission as well.

### **Summary and suggested questions for the discussion during the defense**

In conclusion, I believe the thesis is a solid piece of work, studying interesting and challenging question of pricing contingent convertibles. The author proved himself to be an independent researcher, obtained interesting original results, and mastered advanced topic well. Hence thesis deserves to be defended. In case author is confident in presenting the details of the work during the defense, and mainly present economic motivation, why he believes the results are important for us economically, as well as where he views his work in comparison to the current literature in finance, I suggest to award the work with grade "A".

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution</i> (max. 30 points)	30
<i>Methods</i> (max. 30 points)	28
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	18
<b>TOTAL POINTS</b> (max. 100 points)	<b>96</b>
<b>GRADE</b> (A – B – C – D – E – F)	<b>A</b>

**NAME OF THE REFEREE:** Jozef Baruník

**DATE OF EVALUATION:** January 18, 2018

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**Referee Signature**

**EXPLANATION OF CATEGORIES AND SCALE:**

**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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
30	15	0

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

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

**Overall grading:**

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F