

Report on Bachelor / Master Thesis

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

Student:	Zuzana Odvárková
Advisor:	PhDr. Miroslav Palanský, Ph.D.
Title of the thesis:	Effects on Stock Prices of Companies Involved in Leaks of Offshore Documents

OVERALL ASSESSMENT:

Short summary

In the thesis, the student tries to assess if there has been an effect on the stock prices of companies that have been affected by various leaks of offshore documents and also tries to quantify this effect. They take into account various leaks and, through the International Consortium of Investigative Journalists (ICIJ)'s Offshore Leak Database and the matching of managers and directors with officers and directors names obtained from leaked data, they identify the leaked companies (206, after cleaning the dataset from unlisted, private or no stock data available companies). They perform an event study on the companies and compare them with a control group of 206 other companies not included in the leak, chosen through propensity score matching. Through linear regression, they find a 1.5% lower cumulative abnormal returns, equal to 21.7\$ billion in erased market capitalization, for all the 206 companies.

Contribution

The work is a further development of the work O' Donovan et al. paper "The value of offshore secrets: Evidence from the Panama Papers.". The main contribution to the literature is the higher amount of leaks taken into account (in the aforementioned work they consider the Panama Papers only) and the quite matching results with the previous ones. The methodology and results are discussed in a clear and detailed manner. In this sense, the student demonstrates critical thinking and ability to draw conclusions based on the knowledge of relevant theory and empirics.

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. The statistical approach used is good and rich.

Literature

The literature overview is correct and full enough for a bachelor thesis and the author quotes relevant literature in a proper way.

Manuscript form

The manuscript form is very good, neat, precise and everything is well referenced. 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

Overall evaluation and suggested questions for the discussion during the defense

The work is overall very good. The methodology is rich enough, the results are interesting, adding knowledge to the literature and are shown in a clear and detailed manner. The literature is also very

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good and in general it is shown the student's awareness and knowledge of the work (data, methods, findings). The manuscript form is very good. The results of the Urkund analysis do not indicate significant text similarity with other available sources.

To summarize, in my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade A.

Suggested questions:

- 1) Is the fuzzy matching of the managers/intermediaries names used also in O'Donovan et al. or is it your addition to the methodology?
- 2) What are the firms business sectors in the leaked and in the control group? Are they similar? Is it an analysis that you performed?
- 3) The difference in the erased market capitalization with respect to the Donovan et al. findings are attributed to the difference in matching. Couldn't it be due, instead, to the intrinsic difference in the market capitalization of the firms taken into account in the thesis and the ones in the paper?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	28
<i>Methods</i> (max. 30 points)	30
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	98
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: *Valeria Secchini*

DATE OF EVALUATION: 24.08.2023

Valeria Secchini

Referee Signature

