

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Bc. Peter Palovič</b>
<b>Advisor:</b>	<b>Mgr. Petr Polák, MSc., Ph.D.</b>
<b>Title of the thesis:</b>	<b>Valuation of Companies in the Technological industry of Emerging Markets</b>

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

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

### **Short summary**

In his thesis, Peter Palovič analyses the returns of IT stocks in Central European region. The thesis does not find a statistically significant relationship between selected factors and returns of IT stocks. The novelty of the research is based on using combination specific part of the market and some traditional market measures.

### **Contribution**

The idea of the thesis could be seen as original as pricing IT companies differ from traditional sectors of production and services. The selected approach however, seems partly „random“ as the author does not explain fully the reasons for selecting such measures. It is mentioned, that the thesis follows previous studies like Zaremba, A. (2015) or Rui et al. (2018), so that the results are comparable and those measures are also used, but it would be better if also some attempt would be made to incorporate five-factor model introduced by Fama & French (2015).

### **Methods**

The thesis uses suitable methods for stock market analysis, and the application of those follows previous studies. However, I think that some further extension to used multivariate regression Approach (model 5.7) would be achievable with further data extension and it would provide better insight into the topic.

### **Literature**

The work with the literature is proper and follows academic standards, but there is one minor detail: when the citation is at the end of an idea and put in parenthesis, the year should not be, ie. (author, year), instead of (author (year)).

### **Manuscript form**

The thesis is nicely written and easy to follow. The structure is also clear and a standardized LaTeX template is used. The thesis could benefit from a more depth and visual presentation of the data especially from the time dimension. Next to it, chapter about pricing anomalies in CEE is present, but I would also expect chapter about difficulty of pricing IT companies.

### **Overall evaluation and suggested questions for the discussion during the defense**

Peter worked on the thesis on his own as a master student should and figured out the approach of the thesis by himself. The thesis is a nice piece of work, but the level of analysis could be improved, and in some places, it definitely should be eligible for a better grade. That is also reflected in my evaluation.

During the defense, the student could elaborate about his insights into valued stocks(companies) that he gained while working with the data. Is there something beyond the data that is not captured by the results that he would use while making decisions on the financial markets? Or that would be worth investigating further with the relation of valuation of IT companies?

*In my view, the thesis fulfills the requirements for a master thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade C.”*

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*The results of the Turnitin analysis do not indicate significant text similarity with other available sources.*

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution (max. 30 points)</i>	20
<i>Methods (max. 30 points)</i>	20
<i>Literature (max. 20 points)</i>	17
<i>Manuscript Form (max. 20 points)</i>	18
<b>TOTAL POINTS (max. 100 points)</b>	<b>75</b>
<b>GRADE (A – B – C – D – E – F)</b>	<b>C</b>

**NAME OF THE REFEREE:** Petr Polák

**DATE OF EVALUATION:** 30. 8. 2023

*Digitally signed (30. 8. 2023)*  
*Petr Polák*

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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.*

**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.*

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

**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.*

**Overall grading:**

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