Report on **Master Thesis**

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

Student:	**Martin Polanka**
Advisor:	**Jozef Baruník**
Title of the thesis:	**The Price Determinants of Investment Rums**

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

This thesis examines the price determinants of rum and explores its potential as an investment asset. Martin collects a unique dataset on rum and performs a unique analysis in two parts: hedonic analysis and repeated sales regression. Martin finds that rum's age and reputation have the greatest impact on rum prices and hence are strong determinants of price. In short, the thesis is a very good example of a solid and well-done piece of work with a clear economic question, in-depth analysis and novel conclusions that could be of potential interest to a wider audience.

Contribution

With many alternative assets, such as spirits, art or even luxury watches, becoming more and more popular with investors, the literature on alternative investments is growing. This thesis makes a significant contribution to this literature through a novel study of the factors that influence rum pricing and the study of rum as a potential investment asset. The thesis is one of the first to look at rum from an alternative investment perspective, Martin has worked consistently and carefully to obtain a representative sample of data, and after careful statistical analysis has come to some interesting conclusions.

Methods

The thesis uses appropriate statistical methods for analysis, based on hedonic analysis and repeated sales regression, which Martin suggested for analysis after several consultations. I must emphasise that the collection, cleaning and preparation of the dataset itself was an issue that Martin dealt with in a professional manner.

Literature

The author uses all relevant literature correctly, introduces the literature well and discusses all relevant sources in sufficient detail.

Manuscript form

The thesis is very nicely and logically written and links the findings well to the existing literature. The introduction and motivation are clear and the reader can see that the author has put a lot of care into the text. Martin has worked consistently on the results over a long period of time and we have discussed the results and the text regularly throughout the year.

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Overall evaluation and suggested questions for the discussion during the defense

In conclusion, I believe that during the work Martin proved himself to be an independent researcher, producing interesting results and mastering advanced methods and skills to produce sound and economically relevant work. Martin worked consistently with me and I must highlight the hard work he put into preparing the dataset to be able to use it to answer his questions. Since we have discussed details in depth I have no other questions to the defence.

The thesis deserves to be defended without reservation. If Martin is confident in presenting the details of the work during the defence, I suggest awarding the work a grade of 'A'.

Finally, the results of the documentary analysis do not indicate any significant similarity of the text to other available sources.

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

CATEGORY		POINTS
Contribution	*(max. 30 points)*	30
Methods	*(max. 30 points)*	30
Literature	*(max. 20 points)*	20
Manuscript Form	*(max. 20 points)*	20
TOTAL POINTS	*(max. 100 points)*	**100**
GRADE	**(A – B – C – D – E – F)**	**A**

NAME OF THE REFEREE: Jozef Barunik

DATE OF EVALUATION: 7.5.2024

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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**