

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Hana Tomanová</b>
<b>Advisor:</b>	<b>Mgr. Petr Polák, M.Sc., Ph.D.</b>
<b>Title of the thesis:</b>	<b>Lego as investment</b>

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

### **Short summary**

The thesis examines the alternative investment opportunity arising from the secondary LEGO market. The author considers new and used sets and explains their annual growth conditional on many controls. Variables such as the age of the set, size, or retail price are found to have an impact on the annual growth in value.

### **Contribution**

The author tries to motivate the thesis by saying that investing in LEGO is similar to investing in fine art or fine wine. While I understand the intuition behind this, it would be good to start with the size of the secondary LEGO market. The author mentions this information, but it is a bit hidden in subsection 2.2.1. Since the size of the market in the six-month period of 2018-2019 was EUR 6.3 million, it might not be that attractive for investors or researchers. As the thesis is based on two Lego-oriented research papers and a simple methodology, the contribution is rather limited. The contribution can be found in the dataset used, as the previous studies use different data sources. However, the advantages of this alternative dataset should be discussed in detail, and the results should be compared with those of previous studies. Unfortunately, this was not the case in the thesis.

### **Methods**

The author uses OLS and briefly discusses it. In the results section, the reader learns that some robust standard errors are computed, but it is not clear what they are and, more importantly, why and how they are computed. The data collection is described in detail, sometimes I would say in unnecessary detail - for example, writing that CSV files were transformed into an XLSX file is too much. The outlier values in the dataset were removed arbitrarily without discussing the reason for setting the cut-off values – for example, it is not clear why values larger than 38.5% are considered as outliers for annual growth.

### **Literature**

The literature used is adequate. One can find also more recent studies regarding alternative investments, but the literature covered in the thesis is sufficient.

### **Manuscript form**

The thesis deserves careful proofreading – there are many typos, some weird signs, single sentenced paragraphs, etc.. The writing style of the thesis is sometimes puzzling and it is hard to orient in some parts. In „chapter 3 – data“ the author mentioned that it is divided into five parts but describes just sections 3.1 and 3.2. I do not understand why the author describes the benefits of factors in more than ½ page and concludes that the factors are not going to be used, rather the dummy variables were created. Sometimes there are duplicated names of methods, e.g. MLR and OLS is mentioned twice in a row. The results presented in the table 5.1 does not correspond to the text - no negative signs in the table.

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

Overall, this thesis is a basic empirical exercise (cross-sectional analysis) introduced in the Econometrics I class conducted on the different dataset, although it was demanding to obtain the final data. Some parts of the thesis resemble a good first draft of the thesis rather than the final version of the thesis. The motivation for the thesis should be explained in more detail.

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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 D. 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</i> (max. 30 points)	15
<i>Methods</i> (max. 30 points)	15
<i>Literature</i> (max. 20 points)	18
<i>Manuscript Form</i> (max. 20 points)	13
<b>TOTAL POINTS</b> (max. 100 points)	<b>61</b>
<b>GRADE</b> (A – B – C – D – E – F)	<b>D</b>

**NAME OF THE REFEREE:** *František Čech*

**DATE OF EVALUATION:** *24.8.2024*

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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