

Report on Bachelor / Master Thesis

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

Student:	Bc. Tomáš Suchomel
Advisor:	Mgr. Josef Bajzík
Title of the thesis:	Lawsuit events and stock returns: A meta-analysis

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

Short summary

The thesis is a meta-analysis of studies that look at the effect of lawsuits on stock returns. Unsurprisingly, the author finds that the effect is negative. Also, there seems to be little evidence of publication bias, which is relatively surprising given the clear prior of most researchers in this field. The author also explains how reported price reactions differ depending on the context. For example, class actions are associated with more negative effects.

Contribution

This is a high-quality, original meta-analysis, and the author should try to publish it in an international journal – perhaps after working with his advisor on a shortened version of the thesis. But I believe it shouldn't be much work given the good quality and relative parsimony of the thesis. The biggest issue here is the similarity between this thesis and de Batz and Kocenda. But the issue is described in detail in the thesis: while de Batz and Kocenda focus on financial crime, this thesis focuses on lawsuits. So, these are related but different events, and it is worth looking at them separately. I also appreciate the laborious data collection that was necessary for the thesis. Overall, the contribution of this thesis is substantial.

Methods

The thesis uses up-to-date meta-analysis methods, and I appreciate the attention to novel techniques for publication bias detection (Furukawa, Bom and Rächinger, Andrews and Kasy, etc). I also appreciate the use of clustered standard errors and model averaging techniques; overall, the thesis is econometrically sound. I am a bit puzzled by the results of the selection model on p. 48. Also, the author could have considered an IV model for publication bias.

Literature

The relevant literature is covered well: after all, it's a meta-analysis, so it's a part of the topic.

Manuscript form

The thesis is typeset nicely in LaTeX and written in good English. The figures and tables, however, could be improved: often they are hard to read given the tiny font.

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Overall evaluation and suggested questions for the discussion during the defense

In my view, the thesis fulfills the requirements for a master's thesis at the IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade A. Note that it reads more like a mechanical application than a novel and original work. The results of the plagiarism software analysis do not indicate significant text similarity with other available sources.

Question for defense: How do you interpret the results of the AK selection model?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	28
<i>Methods</i> (max. 30 points)	26
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	17
TOTAL POINTS (max. 100 points)	91
GRADE (A – B – C – D – E – F)	A

NAME OF THE REFEREE: doc. PhDr. Zuzana Havránková, Ph.D.

DATE OF EVALUATION: 8.8.2024

Digitally signed, Zuzana Havrankova

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