

Report on Bachelor / Master Thesis

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

Student:	Bc. Sokheang Srin
Advisor:	Doc. Adam Geršl, Ph.D.
Title of the thesis:	Exploring Bank Efficiency in Cambodia

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

The thesis examines the bank cost efficiency in a sample of Cambodian banks. It uses a balanced panel, quarterly data over two decades and a standard econometric framework (Data Envelopment Analysis (DEA) and Stochastic Frontier Analysis (SFA)). Once the efficiency scores for Cambodian banks are calculated, the author tests several standard hypotheses regarding the determinants of efficiency. For example, the author tests whether higher risk-taking in the past undermines the current efficiency (and finds that it is indeed the case).

Contribution

The thesis applies a standard econometric framework to study bank cost efficiency and its determinants in a selected country.

I find the thesis to be well-written. The thesis contains a balanced description of the Cambodian economy, including the developments in the banking industry.

I am somewhat concerned about the stability of the results (see my comments in the Methods).

Methods

The author employs two standard methods to measure bank efficiency.

I would welcome it if the authors estimated more regressions to shed more light on the stability of the results (for example, with and without macroeconomic variables as control variables).

It is a pity that the results are not compared to evidence from different countries.

Why did the data start in 2012? Perhaps earlier data was not available. This should have been explained in the thesis.

The author should have explained the choice regarding the regression specifications. Why are some explanatory variables included in the regression while other bank and macro variables are ignored? Do you follow some previous empirical literature?

Literature

The literature survey is well-structured and I find it quite reasonable. Many authoritative studies in the field are discussed.

Manuscript form

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The text is relatively easy to follow. However, I would welcome a better description of Tables. For example, consider Table 5.2. There are no notes to the table so it is far from easy to guess whether, the figures, are presented in thousands or millions of local currency, etc..

Overall evaluation and suggested questions for the discussion during the defense

Overall, this is a solid thesis. The author has demonstrated the knowledge to conduct a large empirical exercise and provide reasonable policy discussions. The drawbacks I discuss above prevent me from recommending the best grades. More specifically, the data description should have been more detailed (and more accurate), the robustness of main regression results should have been examined more thoroughly, and the results should have been compared to existing literature.

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

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 D.

Q: Table 5.2 suggests that there is a bank, which did not grant any loans (at least in one quarter). It is a typo or did you have such an inactive bank?

Q: How cost-effective is the Cambodian banking industry in an international perspective? Are Cambodian banks more effective than banks in neighboring countries?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	18
<i>Methods</i> (max. 30 points)	19
<i>Literature</i> (max. 20 points)	16
<i>Manuscript Form</i> (max. 20 points)	15
TOTAL POINTS (max. 100 points)	68
GRADE (A – B – C – D – E – F)	D

NAME OF THE REFEREE: Prof. Roman Horvath, Ph.D.

DATE OF EVALUATION: 14th May 2024

Roman Horvath
Digitally signed
Referee Signature

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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