

Annex 6: Habilitation thesis reader's report

Masaryk University

Faculty MU Faculty of Economics and Administration
Field of Habilitation Economic Policy

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Habilitation Thesis The Transformation of the Czech Financial and Capital Market at the Turn of the Millennium.

Reader Prof. Lisa Evans
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Report Text (as large as the reader deems necessary)

Dr Irena Jindrichovska's habilitation thesis consists of four published papers and an introduction. The papers were published between 2001 and 2005, in *The European Accounting Review* (Jindrichovska, 2001; Jindrichovska & McLeay, 2005), *Accounting in Europe* (Sucher & Jindrichovska, 2004) and as a book chapter in a monograph published by Charles University in Prague (Jindrichovska, 2004).

The work explores different issues in the emerging Czech capital market and accounting and audit environment. It shows Dr Jindrichovska to be a competent researcher, being comfortable with quantitative as well as qualitative research methods. The papers comprising the thesis are very well written, and methodologically sound. They were among the first exploring the issues under investigation in a Czech context - at least among publications in English. The work was, therefore, innovative and timely. Three papers were published in international peer-reviewed journals, providing (quality) assurance that the papers meet high standards of academic rigor and that they made substantial contributions to academic knowledge.

However, I think that all papers would have been even stronger with a deeper discussion of the implications of the findings. I acknowledge that it is a convention in particular of capital markets research to present findings in a descriptive manner, but more exploration of the findings against theory and prior research would have been welcome. I acknowledge, however, that the papers satisfied the academic reviewers, who would have set high standards.

As a minor issue, different font sizes and styles are used in the bound thesis, which distracts from this as a submission of a cohesive whole. Also, an additional chapter reflecting on how the papers complement each other would be helpful. I assume this is to some extent done in Chapter 1.1., but this is not available in English.

In Sucher and Jindrichovska, I would have expected more of a discussion of the advantages and disadvantages of the interview method from an epistemological perspective. The paper refers to the small sample size, and therefore a lack of generalizability, as a limitation. However, generalizability would not normally be expected where interviews (as an interpretive method) are being used – this is therefore not a problem. Finally, I found that the motivation and rationale for the last paper (Jindrichovska, 2004) were not entirely clear. The aim stated in the brief introduction is wide-ranging and ambitious, but the paper provides only a brief descriptive overview of developments in the US and the Czech Republic. It is unclear

how Ball's (2003) work was utilized, since there appears to be only one further reference to Ball beyond that in the introduction.

In summary, though, I am confident that this work meets a high standard. This is also confirmed by the publication of the papers in international peer-reviewed journals. The papers provide a very useful, and at the time innovative and timely, exploration of different themes in an emerging market and accounting environment. They also show that Dr Jindrichovska is a competent research who is equally comfortable working independently and collaborating with other researchers.

Reader's questions to answer to defend the habilitation thesis (number of questions is upon reader's consideration)

1. a) Please provide a discussion of the research methods chosen for each of the papers. What are the strengths and weaknesses of each method, and why were the specific methods chosen in each case? Were they the most suitable you could have chosen for the given research objective?

b) What (if anything) would you do differently if you were writing these papers now?

2. Given their different accounting traditions, institutional arrangements, legal systems and capital markets (size, maturity, transparency, etc.), the comparison between the Czech and the US developments in paper 4 seems odd.

a) Given these differences, what can be learned from such a comparison? Would it have been more useful to compare the Czech context and developments with those in a more similar environment? For example, if the intention was to compare a developed with a developing market environment, would comparison with a developed economy in another continental European country have offered different insights?

b) How was Ball's (2003) work utilized? What is circular about Ball's arguments?

3. Discuss the rationale for and limitations of your capital markets papers within the context of a market that is emerging – i.e. not transparent or efficient.

4. What are the implications of your work for practice and policy?

5. A large amount of research has been published, since 2005, in the areas of value relevance of accounting data (in emerging as well as developed markets) and of IFRS implementation. Looking back, how do your publications fit in with more recent work? Are your findings confirmed by later, similar studies?

Conclusion

Irena Jindřichovská's habilitation thesis of "The Transformation of the Czech Financial and Capital Market at the Turn of the Millennium" **does –does not** meet the standard requirements for a habilitation thesis in the field of Economic Policy.



In Stirling on 30 August 2012

Lisa Evans (signature)