

# Institut ekonomických studií

## Fakulta sociálních věd, Universita Karlova Praha

### Referee report on the Bachelor/Master Thesis submitted to State Exam

<b>Student Name:</b>	<b>Jiří Schwarz</b>
<b>Thesis Supervisor Name:</b>	<b>Prof. Štěpán Jurajda</b>
<b>Thesis Title:</b>	<b>Impact of Institutions on Cross-Border Price Dispersion</b>

#### Overall Evaluation:

The thesis deals with cross-border price dispersion. First, it extensively discusses the previous research and second, it provides own empirical investigations of the determinants of price dispersion in European cities.

The thesis is well-written. Literature is well cited. It is pleasure to read it.

There is an original insight to the literature. The literature explaining price dispersion among countries underscores the importance of entrepreneurial activity. The literature takes price arbitrage for granted, while this thesis shows that arbitrage is itself a function of institutional quality. In consequence, it is argued that institutional quality is an additional determinant of price dispersion. This hypothesis is evaluated based on European data. Indeed, low institutional quality is an obstacle for price convergence. This result holds even after undertaking large sensitivity analysis.

In my opinion, the results provided in this thesis are, after revision, publishable in a respected refereed journal. I would strongly urge the author to make his research on price dispersion public. As a preliminary step, the working paper version can be submitted to the IES WP series. The author should contact his supervisor or some other experienced researcher to consult the text to prepare the submission and to target the appropriate journal.

Therefore, I strongly recommend the thesis for the defense and suggest grade A. I also suggest a distinction from the Dean of the Faculty of Social Sciences for an extraordinarily good M.A. thesis.

#### **SUMMARY OF POINTS AWARDED (for the explanation of categories and scale, please, see below):**

<b>CATEGORY</b>	<b>POINTS</b>
Quality of Research	30
Clarity and Readability	9
Content/Quality of Ideas	40
Organization & Development	15
Manuscript Form	4
<b>TOTAL POINTS</b>	<b>98</b>
<b>LETTER GRADE</b>	<b>A</b>