Report Master Thesis

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

Student:	**Bc. Aliya Berkimbayeva**
Advisor:	**Prof. Luboš Komárek**
Title of the thesis:	**Transition to a Cashless Society: Impact on Economic Activity**

OVERALL ASSESSMENT

Contribution

The topic of this master´s thesis, i.e. transition to a cashless society and its impact on economic activity, is interesting and relevant to all economic subjects (households, firms, governments, and also to central banks). This dissertation is also an original piece of work, which contributes to the topic by forming an extensive outlook from a global perspective, examining factors such as business environment, globalization, and the shadow economy in relation to currency in circulation.

The thesis is divided into six chapters. After the introduction the author concentrates in the second chapter on the organization of the payment system, which includes a description of its evolution, the modern payment system and payment method trends, including electronic payment systems. The third chapter is oriented to the process of transition to a cashless society. Here the author describes a few of the stages of transformation in moving to a cashless society, barriers in shifting to it, and the adoption of the electronic payment system. The fourth chapter is oriented to the review of mainly academic literature associated with the field of transition to a cashless society. Subsequently the author formulates – on the basis of elaborating the literature review – three research hypotheses, i.e.:

> *H1: Alternative methods of payment through indirect benefits leading to a healthier business environment;*

> *H2: The demand for cash being higher for countries with greater shadow economies;*

> *H3: The globalization and market integration being negatively affected if the share of currency circulated is large).*

The fifth chapter is the main chapter of the thesis, including both data description and empirical analysis based on different panel data approaches.

Methods

The author applied different panel data approaches from a simple one (pooled OLS) to a more advanced one (GMM). The advisor of this thesis finds these methods appropriate for the aim of the master thesis.

Literature

The literature review is around standard level, i.e. well balanced, including both original sources of literature and current applied studies oriented to the transition to a "cashless society".

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Manuscript form

The manuscript form is strong and well constructed. I would recommend the submission of a shorter version of this thesis to some journal oriented to applied research.

Summary and suggested questions for the discussion during the defense

This master thesis is well-balanced; it consists of both theoretical and empirical parts, with interesting results, an interesting literature survey, and appropriate techniques for empirical analysis.

Questions for the author:

1. What are the main costs and benefits of a cashless society for the conduct of monetary policy?
2. What is your view of the future implementation of the so-called central bank digital currency?

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

CATEGORY	POINTS
Contribution *(max. 30 points)*	28
Methods *(max. 30 points)*	27
Literature *(max. 20 points)*	18
Manuscript Form *(max. 20 points)*	20
TOTAL POINTS *(max. 100 points)*	**94**
GRADE **(A – B – C – D – E – F)**	**A**

DATE OF EVALUATION: 5.6.2019

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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.*

Strong   *Average*   *Weak*
30   *15*   *0*

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.*

Strong   *Average*   *Weak*
30   *15*   *0*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

Strong   *Average*   *Weak*
20   *10*   *0*

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.*

Strong   *Average*   *Weak*
20   *10*   *0*

Overall grading:

TOTAL	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F