

Report on Bachelor / Master Thesis

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

Student:	Jan Jezek
Advisor:	Ing. Vilem Semerak, M.A., Ph.D.
Title of the thesis:	Exchange Rate Volatility and Trade: Trade in Intermediates versus Trade in Final Products

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

Contribution: The topic researched by the Author is an important one in the context of dynamic global trading relationships. The Author attempts to determine whether the impact, if any, of the exchange rate volatility is different for trade flows of intermediate and final products. The main contribution of the Autor is to estimate the effect of the exchange rate volatility on international trade using the gravity model – which is an important addition to the research in the field. The Author also extends his contribution by applying the Bonus Vetus OLS, for which additional data manipulations were required. However, I find conclusions too soft, although the Author offers some explanations for this. The Author also provides ideas on how his research could be extended.

Methods: The methodology applied by the Author is appropriate and well described. However, there are two important issues with he applied methodology: one is endogeneity (mentioned by the Author but without any attempt to address), and the other one is the fact that trade flows are expressed in current dollars, and not constant dollars.

Literature: The literature review is comprehensive, and allows a good introduction in the matter even for a reader outside this field. The gravity model background is well presented, and the Author quotes a sufficient number of studies to demonstrate that a proper literature review was performed. Nevertheless, the literature review could be further improved by extending the part which discussed the most recent studies on the topic of impact of FX rate volatility on the international trade (eg. Asteriou, D., Masatci, K., & Pilbeam, K., 2016; Vieira, F. V., & MacDonald, R.).

Manuscript form: The Thesis is very well structured; the manuscript form looks very academic, is facilitating easy reading and navigation of the paper. The Thesis is satisfying the requirements towards a Bachelor Thesis format. Minor mistakes in punctuation and grammar can be observed.

Summary and suggested questions for the discussion during the defense:

In case of a successful defense, I recommend grade „B“.

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	24
<i>Methods</i> (max. 30 points)	24
<i>Literature</i> (max. 20 points)	18
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	84
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: Alina Cazachevici Mgr.

DATE OF EVALUATION: 29.08.2019

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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