

Report on Master Thesis

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

Student:	Bc. Vladimír Zobal
Advisor:	Prof. Ing. Karel Janda, M.A., Dr., Ph.D.
Title of the thesis:	Beer Consumption Patterns in Europe

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

Contribution

The thesis deals with a novel research question not analyzed before. The thesis, however, suffers from data unavailability and the interpretation of the used models is not convincing. The main value-added of this thesis lies in the extent of the literature review.

Methods

Based on available data, the author uses adequate methods for the analysis. Through, I have several critical comments regarding the specifications.

1) Analysis of the European beer consumption

The author uses present value of current beer prices to compare the own-price effect on beer consumption across Europe. But using these prices the one Euro price change would have different effects on beer consumption in individual countries as it would mean different relative price change.

The author does not make clear why the prices of beer equivalents (wine and spirits) are used only in the Czech Republic analysis and not in the European one.

The fixed effect model seems to suffer from multi-collinearity as the three dummy variables are probably highly correlated. Moreover, the author admits that these variables are almost constant over time and still uses them in the fixed effect model.

2) Analysis of the Czech market

The author analyzes 18 observations (only yearly data for the whole republic) using at least six explanatory variables and does not even comment on the explanatory power of such a model.

Literature

The author presents a broad beer-drinking history in the world from the economic perspective as well as the evolution of the beverage. Then he also summarizes main current literature dealing with beer consumption.

The literature is properly cited.

Manuscript form

The thesis is written in English and typeset in LaTeX (probably - the author does not state it in the thesis).

The text is very readable, but few typos may lead to confusion of the reader especially in the Results section. The author mostly does not refer to the tables and figures in text, and the tables miss notes that would make them self-explanatory.

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Moreover, several online sources (predominantly not so important statistics) are cited only through web address in footnotes without being listed in the bibliography. For example, the link to the source of the main explanatory variable – beer prices from EUROSTAT leads to an empty page: „Invalid session: xtDataset is null.“

The citation should also be more specific than „www.wikipedia.org“ when providing source of Figure 5.1 (page 26).

Summary

I appreciate that the author tried various data sources for the analysis. And I have to emphasize the extent of the literature review. Nevertheless, the specified model is not well reasoned, and in a master thesis there should be no conclusions based on a model with such a low number of observations (used for the Czech market). Therefore I recommend grade C.

Suggested questions for the discussion during the defense

Why do you use the present value of current prices instead of purchasing power parity prices if you want to estimate the own price effects on beer consumption across Europe?

Did you try to find monthly (or at least quarterly) data for the Czech Republic?

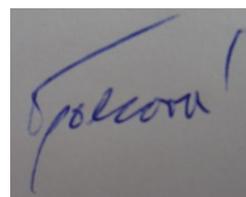
Given you would have ideal data, what would be the main message of your thesis? (The most important result.)

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	23
<i>Methods</i> (max. 30 points)	15
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	15
TOTAL POINTS (max. 100 points)	73
GRADE (A – B – C – D – E – F)	C

NAME OF THE REFEREE: Dominika Špolcová

DATE OF EVALUATION: August 25, 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