Report on Bachelor / Master Thesis

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

Student:	**Karolína Gajdušková**
Advisor:	**Petr Pleticha**
Title of the thesis:	**Identifying driving factors of coffee prices**

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

Contribution

The author explores the driving factors of the coffee price while distinguishing between its two kinds: arabica and robusta. She finds a heterogeneity between the factors driving robusta price and those driving arabica price. She then suggests that the cooperation of the biggest producers is necessary for controlling the price.

Methods

The author uses standard methods that build on relevant literature. She explains them carefully and builds on relevant literature when constructing her model. They are a bit more advanced then what is required from a bachelor student which is a merit of this work. She checks for the underlying assumptions and provides robustness checks of her main analysis.

However, the choice of the model could be justified in greater detail. As of now, the reader is presented with the model itself and can infer that its choice is based on the previous literature. If the rationale behind its choice was explained better, it would help the credibility of the results a lot. The equations should be properly defined, and the steps in the derivation of the final regression equation should be also properly described.

Literature

The literature review is extensive and well written. In my opinion, it exceeds the requirements of a bachelor thesis. It could be improved by linking the previous studies to the actual thesis, though; for instance by presenting the results of the literature and summarizing them in a comprehensive table.

Manuscript form

The manuscript meets the criteria of a Bachelor's thesis. It is sometimes a bit lengthy, especially the results section could be briefer and address mainly the author's hypotheses. Also, comparing the results with those of previous researchers would help the reader to put the thesis into the context of current knowledge. A minor mistake is presenting results without standard errors (table 6). The list of references is not consistent in its formatting, but that would be solved in a single additional round of comments.

Summary and suggested questions for the discussion during the defense

Overall, Karolína has written a very good thesis that meets the requirements of the bachelor's program at IES, Faculty of Social Sciences, Charles University, and I recommend it for the defense and suggest a grade B. The results of the Urkund analysis do not indicate significant text similarity with other available sources.

It was a pleasure to assist her with her writing, as she proceeded with care and dedication. The only substantial shortcoming is the limited policy implications mentioned only in the conclusion of the paper. Although the topic is generally interesting as well as the tools of the analysis, I think the thesis would be of far greater quality if she clearly stated why the topic matters. However, this is something Karolína can do during the defense. She can also elaborate on the mechanism behind hypothesis 2 – i.e., how does the US interest rate affect global prices in coffee?

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

CATEGORY	POINTS
Contribution (max. 30 points)	23
Methods (max. 30 points)	26
Literature (max. 20 points)	18
Manuscript Form (max. 20 points)	18
TOTAL POINTS (max. 100 points)	**85**
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: Petr Pleticha

DATE OF EVALUATION: 4/8/2020

Digitálně podepsané (1.9.2020)
Petr Pleticha

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Referee Signature