

Report on Bachelor / Master Thesis

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

Student:	Jia Wang
Advisor:	Oldřich Dědek
Title of the thesis:	The development and impact of internet finance

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

Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.

Contribution

The Chinese economy is attracting attention by the dynamic expansion of digital forms of retail payments. This country can be seen as a unique laboratory that tests the socio-economic consequences of this trend on a massive scale. However, the language barrier prevents the transmission of much original knowledge to the outside world, including the European region. The undoubted added value of the defended master thesis is the fact that its author is a Chinese student who, with knowledge of local conditions and local literature, systematically deals with the researched issues. Three research hypotheses are formulated, the relevance of which is tested on the data and from their validity recommendations for economic policy are derived.

Methods

The thesis has a logical structure. It is proportionally divided between the descriptive part, defining the main areas of Internet finance, and the analytical part, which uses econometric tools to test the following hypotheses: the impact of third-party payments on i) household consumption, ii) the size of monetary multipliers, c) iii the profitability of commercial banks. The conclusions obtained are in line with intuitive expectations. However, as a central banker, I must point out to not always clear distinction between the concepts of cash and money. In addition, the use of monetary multipliers in the current practice of central banks, aimed at achieving price stability, is on the decline. The final chapter dealing with current development of Internet finance would fit better before the analytical part.

Literature

It is commendable that the author makes maximum use of Chinese references that are inaccessible to non-Chinese readers. However, she can communicate with Anglo-Saxon literature as well.

Manuscript form

The thesis is written in clear English. Minor misspellings can be tolerated as they do not hinder the comprehension of the text. The analytical part demonstrates the ability of organized thinking. In some places, the author presents numerical data in absolute values in units of Chinese currency, which does not say much to a foreign reader.

Summary and suggested questions for the discussion during the defense

In my view, the thesis fulfils the requirements for a master thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defence and suggest a grade B. The results of the Urkund analysis do not indicate text similarity with other available sources.

Suggested question:

1. The Chinese central bank is testing a concept of Central Bank Digital Currency that is supposed to completely drive cash out of circulation. How do you estimate the

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success and attractivity of this endeavour in the light of strong competing platforms of private payment institutions like Alipay and WeChat?

2. Can digital wallets in China make off-line payments that is by bringing mobile phones closer together without being connected to the Internet? And if not, what is the state of discussion on this topic?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	26
<i>Methods</i> (max. 30 points)	21
<i>Literature</i> (max. 20 points)	20
<i>Manuscript Form</i> (max. 20 points)	15
TOTAL POINTS (max. 100 points)	82
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE:

DATE OF EVALUATION:

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.*

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.*

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

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.*

Overall grading:

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