

Institut ekonomických studií

Fakulta sociálních věd, Universita Karlova Praha

Referee report on the Bachelor/Master Thesis submitted to State Exam

Student Name:	Bc. Tereza Horáková
Thesis Supervisor Name:	Roman Horváth, M.A.
Thesis Title:	Integration of Financial Markets: Empirical Analysis on Relations of Financial Markets and Their Volatilities. Case of the Czech Republic and Euro Area

Overall Evaluation:

Tereza presents an interesting analysis of volatility transmissions among euro area and Czech financial markets. She employs multivariate GARCH techniques (such as BEKK estimator) to shed light on volatility spillovers between foreign exchange, equity and bond markets. The results indicate that indeed shocks transmit between domestic and foreign markets. The research undertaken in this thesis is quite innovative and original and employs recent econometric techniques. I have to say that Tereza's knowledge of econometrics is quite above the standards typical for M.A. thesis at our institute. The thesis is well-written and delivers clear results. Tereza has shown ability to work independently on a large-scale empirical project at the frontiers of applied quantitative research on financial integration.

Therefore, I strongly recommend the thesis for the defense and suggest grade A. I also suggest a distinction from the Dean of the Faculty of Social Sciences for an extraordinarily good masters diploma thesis.

SUMMARY OF POINTS AWARDED (for the explanation of categories and scale, please, see below):

CATEGORY	POINTS
Quality of Research	30
Clarity and Readability	7
Content/Quality of Ideas	39
Organization & Development	14
Manuscript Form	5
TOTAL POINTS	95
LETTER GRADE	A

Evaluated on: **June 9, 2008**