

Institut ekonomických studií

Fakulta sociálních věd, Universita Karlova Praha

Referee report on the Master Thesis submitted to State Exam

Student Name:	Tereza Horáková
Thesis Supervisor Name:	Radovan Chalupka
Thesis Title:	Integration of financial markets

Overall Evaluation:

The thesis provides a thorough analysis of integration of financial markets of the Czech Republic and the euro area. It uses standard models of the GARCH family to study the patterns and relationships of conditional volatility in the foreign exchange, equity and bond markets. The thesis is very topical and contributes to the current literature in this area. The thesis is excellently-structured and written in good English. Therefore, I recommend the thesis for the defense and suggest grade A ("výborně").

The thesis is a comprehensive study of financial integration. The theoretical part commence with appropriate theoretical background of financial integration, firstly setting a broader context and then focusing on modeling volatility and volatility transmission. The univariate and multivariate GARCH models are well introduced in this part using both appropriate formalism and intuitive description. In the empirical part one chapter is devoted to each of the three studied markets, valuable market developments are provided in the beginning followed by a very recent review of research. The ability to understand the most important issues, apply proper empirical techniques and draw clear conclusions is evident throughout the entire thesis. Excellent organization, logical development of ideas and first-rate presentation are the other strengths of the thesis.

The only thing I was missing in this thesis was an ambition to go at least in a particular detail beyond the current literature or a sign of critical assessment of the methods used and conclusions drawn. The analysis presented is of good quality, being honest about possible limitations of the conclusions; however, more innovative and/or critical ideas would bring it even to a higher level. Nevertheless, I believe all conditions for an excellent thesis are met, therefore, I recommend grade A for the thesis defense.

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

CATEGORY	POINTS
Quality of Research	27
Clarity and Readability	9
Content/Quality of Ideas	36
Organization & Development	15
Manuscript Form	5
TOTAL POINTS	92
LETTER GRADE	A

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Explanation of categories and scale:

QUALITY OF RESEARCH: The thesis demonstrates the author's full understanding and command of current literature and he/she uses it competently. The topic of the thesis is well structured and methods used are proper and relevant to the research question being investigated. A full and accurate analysis of thesis statement, from both a theoretical and applied perspective, is provided.

Strong			Middle				Weak		
30	27	24	21	18	15	12	8	4	0

CONTENT/QUALITY OF IDEAS: A range and depth of exposition; an appropriate sense of complexity of the topic; appropriate analysis of the thesis statement; and an accurate understanding of theoretical concepts is demonstrated. A full discussion of applicable and relevant theories stylized data is included. Original, creative thought is provided and evident. Demonstrates critical thinking and analysis with application of theory and student's ability to draw conclusions based on their knowledge, skills and research.

Strong			Middle				Weak		
40	36	32	28	24	20	15	10	5	0

ORGANIZATION AND DEVELOPMENT: The paper demonstrates a logical and clear arrangement of ideas; an effective use of transitions; a unity and coherence of paragraphs; and a clear development of ideas through supporting detail and evidence. The reader is successfully oriented to the subject, purpose, methodology, and structure of the report; an overview of the whole is included; the reader's attention and interest is engaged. The thesis statement is clearly and definitively stated without ambiguity. The conclusion is strong and reflective of the work as a whole.

Strong			Middle			Weak			
15	13	12	10	8	6	4	2	0	

CLARITY AND READIBILITY: Ease of readability; appropriate use of language and style for the rhetorical content; clarity of sentences (reader doesn't get lost; minimum need for slowing down or re-reading) is appropriately demonstrated. Professional level of English expression is evident (limited amount of non-native language to English translation is detectable).

Strong			Middle			Weak			
10	9	8	7	6	5	3	2	1	0

MANUSCRIPT FORM: The appropriate manuscript form and style for the rhetorical content; a professional image; an appropriate use of headings and sub-headings; an appropriate format for graphs and tables; an effective referencing of graphs and tables in the text; complete and accurate bibliography documented to support the applied research; and the overall impact of document design is considered.

Strong		Middle		Weak		
5	4	3	2	1	0	