

Institut ekonomických studií

Fakulta sociálních věd, Universita Karlova Praha

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

Student Name:	Kamila Koprnická
Thesis Supervisor Name:	Roman Horváth, M.A.
Thesis Title:	Inflation differentials in the EU

Overall Evaluation:

The thesis provides an interesting analysis of factors behind the EU inflation differentials. The topic is prominent, given the serious implications of prevailing differentials for the process of euro adoption and for the economy inside the euro area. The thesis is properly structured and works with the adequate wealth of literature sources. The thesis is written in very good English.

Although the paper covers the topic quite extensively, I would still suggest that for any follow-up work one issue should not be included. The methodology applied to the NMS is not modified in the thesis, although it has been developed for the euro area members. My view is that either some modification is necessary or – at least – an extensive comment is required why modification is not necessary. NMS do not have common monetary policy and so one of the factors of inflation differentials can be different monetary policy strategies and changes in inflation targets. This potential factor is omitted in the thesis as if monetary policies in all NMS were the same as in the euro area. I would also like to encourage the author to quote more the Czech authors that empirically assessed the inflation differentials with alternative methodologies and compare results (See www.cnb.cz for examples). This would bring the thesis to the standard of a good research article.

The methodological problem is non-negligible, I find the thesis valuable because the non-modified methodology makes it easier to compare the outcomes to the benchmark study. Therefore, I recommend the thesis for the defense and suggest grade A ("výborně").

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

CATEGORY	POINTS
Quality of Research	28
Clarity and Readability	10
Content/Quality of Ideas	32
Organization & Development	15
Manuscript Form	5
TOTAL POINTS	90
LETTER GRADE	A

Evaluated on: <13.6.2008>