

IMESS DISSERTATION



Note: Please email the completed mark sheet to Year 2 coordinator (jiri.vykoukal@post.cz)

Please note that IMESS students are not required to use a particular set of methods (e.g. qualitative, quantitative, or comparative) in their dissertation.

Student:	Xinyuan Jiang
Dissertation title:	The Role of Housing Market in Financial Crisis: Evidence from Hungary and China

	70+	69-65	60-61	59-55	54-50	<50
	A	B	C	D	E	F
Knowledge <i>Knowledge of problems involved, e.g. historical and social context, specialist literature on the topic. Evidence of capacity to gather information through a wide and appropriate range of reading, and to digest and process knowledge.</i>		66				
Analysis & Interpretation <i>Demonstrates a clear grasp of concepts. Application of appropriate methodology and understanding; willingness to apply an independent approach or interpretation recognition of alternative interpretations; Use of precise terminology and avoidance of ambiguity; avoidance of excessive generalisations or gross oversimplifications.</i>			60			
Structure & Argument <i>Demonstrates ability to structure work with clarity, relevance and coherence. Ability to argue a case; clear evidence of analysis and logical thought; recognition of an argument's limitation or alternative views; Ability to use other evidence to support arguments and structure appropriately.</i>			58			
Presentation & Documentation <i>Accurate and consistently presented footnotes and bibliographic references; accuracy of grammar and spelling; correct and clear presentation of charts/graphs/tables or other data. Appropriate and correct referencing throughout. Correct and contextually correct handling of quotations.</i>		66				
Methodology <i>Understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.</i>		63				

ECTS Mark:	C/61	Charles Mark:	C/72	Marker:	Oldřich Dědek
<i>Deducted for late submission:</i>			<i>No</i>	Signed:	
<i>Deducted for inadequate referencing:</i>			<i>No</i>	Date:	13 June 2024

MARKING GUIDELINES

A (UCL mark 70+) = A (Charles mark 91-100 - excellent): Note: marks of over 80 are given rarely and only for truly exceptional pieces of work.

Distinctively sophisticated and focused analysis, critical use of sources and insightful interpretation. Comprehensive understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research.

B (UCL mark 69-65) = B (Charles mark 81-90 - very good)

C (UCL mark 64-60) = C (Charles mark 71-80 - good): A high level of analysis, critical use of sources and insightful interpretation. Good understanding of techniques applicable to the chosen field of research, showing an ability to engage in sustained independent research. 65 or over equates to a B grade.

D (UCL mark 59-55) = D (Charles mark 61-70 - satisfactory)

E (UCL mark 54-50) = E (Charles mark 51-60 - sufficient):

Demonstration of a critical use of sources and ability to engage in systematic inquiry. An ability to engage in sustained research work, demonstrating methodological awareness. 55 or over equates to a D grade.

F (UCL mark less than 50) = F (Charles mark 0-50 - insufficient):

Demonstrates failure to use sources and an inadequate ability to engage in systematic inquiry. Inadequate evidence of ability to engage in sustained research work and poor understanding of appropriate research techniques.

Please provide substantive and detailed feedback!

Comments, explaining strengths and weaknesses (*at least 300 words*):

The reader of the dissertation may wonder what they have in common Hungary and China, two countries so much different in terms of the size, economic and political systems? The answer is that the common denominator is serious past or present problems on the real estate market. The author thus asks an interesting research question whether disorderly development on these markets has an origin in the specifics of the countries in question or whether there are some common causes, stemming from similar policy errors.

The thesis has a logical structure. It begins with an extensive overview of various types of financial crises, in which the author demonstrates the knowledge of relevant literature. This description is followed by the methodological part, recapitulating the applied econometric techniques and presenting key variables whose behaviour is analysed. Finally, the attention is focused on Hungary and China.

The weak point of the thesis can be seen in the fact that, despite its title, we do not learn much about the crisis development in the real estate sector in the two countries studied. The interpretation is quite general, which is a pity especially in relation to the Chinese economy, where the author could use the knowledge of the domestic evidence and literature, unavailable to a European reader. Analysis of the applied Vector Error Correction Model, studying relationships and interactions between six selected variables (GDP, Housing Price Index, Foreign Exchange Rate, Short-Term Interest Rate, Stock Market Index, Credit to the Non-Financial Sector) can be done for more or less any economy, regardless of whether it has experienced a financial crisis or not.

Some short comments to consider:

Problems on the mortgage market in Hungary and China did not take place at the same time, which contrasts with the uniform time frame 2008 - 2019.

There is no mention which exchange rate the author has in mind. In case of Hungary, for example, is it a forint exchange rate against the euro, dollar or Swiss frank? Or is it an effective exchange rate?

It is not possible to agree with the statement on page 49 that the three-month interest rate is an important benchmark for mortgages. Interest rates of these financial products are more linked to long-term interest rates, such as long-term government bonds.

Crisis development in Hungary is more complex in the sense that there was a crisis because of the high volume of foreign currency mortgages as well as because of unsustainable government deficits.

Overall, it can be summarized that the thesis meets the prerequisites for admission to the defense. It could have been deeper focused on the topic of the real estate financial crisis, nevertheless it provides some insight into the problems of the selected countries. It is written in good English, the formal presentation is at a good level. After considering pros and cons, I suggest a mark C.

Specific questions you would like addressing at the oral defence (at least 2 questions):

International Monetary Fund plays an important role in solving financial crises. It is frequently criticized for austerity measures, while it is argued that just the opposite growth supported policies need to be applied. Do you think this criticism is justified?

Did you find in literature some estimates of the monetary cost of real estate crisis in Hungary and China?

Do you think that the Vector Error Correction Model revealed any hidden risks of potential emergence of real estate crisis in countries in question?