

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Ondřej Kokeš</b>
<b>Advisor:</b>	<b>PhDr. Tomáš Havránek</b>
<b>Title of the thesis:</b>	<b>Income Elasticity of Gasoline Demand: A Meta-Analysis</b>

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

In his bachelor thesis, Ondřej Kokeš performs a full-fledged meta-analysis of the literature estimating the income elasticity of gasoline demand. This parameter is important for policy makers (for example, it is needed for models estimating the effect of various policies for mitigating the costs of climate change), and has been estimated by hundreds of researchers over the last couple of decades. But the individual estimates vary a lot across different data sets and methods (even for the same countries), and it is not clear which values of the income elasticity should be used as inputs for macro models. A good way how to provide a benchmark value for this elasticity is to take the various estimates and summarize them quantitatively. A meta-analysis is more robust than any primary empirical study (anyway, which primary study should one choose? Different people have different opinions on what the good studies are).

A few meta-analyses of this literature have already been published, but Ondřej Kokeš is the first to correct the average estimate for publication bias (the preferential selection of positive or significant elasticities for publication). The methods he uses are adequate and up-to-date. The approach used in the subsection about indirect detection of publication bias is a bit experimental, but I see it as a potential alternative to the „mainstream“ approach that would involve approximating standard errors by the delta method. Ondřej finds (and documents persuasively) that the correction for publication bias changes the average estimate quite a lot, and this has important implications for anyone who wants to learn from this empirical literature.

I have already commented on several previous versions of the thesis, and Ondřej Kokeš has incorporated my suggestions. His work is a great example of how bachelor theses at the Institute of Economic Studies should look like. As one of the teachers responsible for the master thesis seminar I believe this thesis is comparable to the best master theses in terms of methods, presentation of results, and usefulness. I think that the main message of the thesis would be publishable after some stylistic refinements (I have seen comparable papers in *Energy Policy*, for example; a journal with article influence 0.73). Therefore I strongly encourage Ondřej to prepare a working paper based on the thesis and submit it to an international journal.

The thesis definitely deserves an award for excellent student work.

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

CATEGORY	POINTS
Literature (max. 20 points)	18
Methods (max. 30 points)	28
Contribution (max. 30 points)	27
Manuscript Form (max. 20 points)	19
<b>TOTAL POINTS</b> (max. 100 points)	<b>92</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:** PhDr. Tomáš Havránek

**DATE OF EVALUATION:** May 25, 2012

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**Referee Signature**

**EXPLANATION OF CATEGORIES AND SCALE:**

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

Strong                  Average                  Weak  
20                          10                          0

**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.*

Strong                  Average                  Weak  
30                          15                          0

**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.*

Strong                  Average                  Weak  
30                          15                          0

**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.*

Strong                  Average                  Weak  
20                          10                          0

**Overall grading:**

TOTAL POINTS	GRADE		
81 – 100	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě