

Report on Bachelor Thesis

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

Student:	Jana Hortová
Advisor:	PhDr. Ladislav Křišťoufek
Title of the thesis:	Price elasticity of household water demand in Czech Republic

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

The submitted thesis "Price elasticity of household water demand in Czech Republic" focuses on estimating the reaction of consumed water to changes in its price. The thesis is practically divided into two parts where the first one deals with the aggregate level of the water consumption across the regions (counties) of the Czech Republic and in the second part, the author studies the "micro-data" of households in Kladno.

More specifically, the thesis contains a detailed literature review on the topic and follows with a description of specifics of the Czech water market. Fortunately, the structure of water pricing allows for a relatively simple treatment in a sense that endogeneity of variables is not a big issue here (the prices remain constant for all consumed quantities which is not the case for several other countries around the world). Jana Hortová utilizes advanced techniques for the bachelor's level. Specifically, she uses the panel data approach to tackle the elasticity estimation but also includes the dynamic component into the model so that she is able to distinguish between short-term and long-term elasticity. The fixed effect approach is selected based on all appropriate and necessary tests. For the households of Kladno, the OLS approach is taken and necessary tests are again run. Possible issues of the estimation are discussed as well.

The thesis as a whole reads well and is nicely structured. Jana has consulted the thesis frequently and she has been able to incorporate all necessary suggestions. It is also needed to say that the (micro-)data collection has been very demanding and time consuming and in this, Jana has shown her efficiency and hard-working attitude. Due to the above-mentioned notes, **I suggest the thesis to be defended with grade "Excellent" (Grade A)** and I also suggest it to the **Dean's Award** for An Extraordinary Bachelor's Thesis.

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	28
Contribution (max. 30 points)	28
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	96
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: PhDr. Ladislav Křišťoufek

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Referee Signature