

Report on Bachelor / Master Thesis

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

Student:	Elod Orosz
Advisor:	Doc. Roman Horváth, Ph.D.
Title of the thesis:	Inflation Target Setting in Emerging Markets

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

This thesis examines how inflation targets are set in emerging markets economies. To a certain degree, it is a follow-up research on an article by Horvath and Mateju (2011) published in International Finance. Nevertheless, it extends the previous literature in a number of ways. It focuses specifically on emerging markets, updates the datasets and examines the disinflation efforts in a greater detail. Interestingly, while there are dozens of articles assessing the effect of inflation targeting, very little attention is paid in academic community to the issue of how inflation targets are set. This is important also from policy perspective because of several recent proposals to increase the inflation targets in developed countries.

Elod has undertaken substantial data collection and applied appropriate econometric methods. The inflation target is set as an interval and therefore, Elod applied interval panel regression models that treat this issue adequately. The thesis contains excellent literature survey and econometrics is carried out competently. The thesis reads very well and provides an interesting extension of previous research.

I suggest the grade A for Elod and eventually consider for Dean Award.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	19
<i>Methods</i> (max. 30 points)	29
<i>Contribution</i> (max. 30 points)	28
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	94
GRADE (1 – 2 – 3 – 4)	1

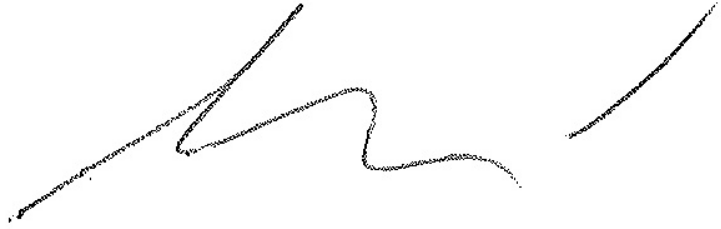
NAME OF THE REFEREE: Doc. Roman Horvath, PhD

DATE OF EVALUATION: May 31, 2013

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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	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě