

Report on Bachelor / Master Thesis

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

Student:	Jozef Kubovič
Advisor:	Petr Janský, M.Sc.
Title of the thesis:	Automotive fuel taxes and cross-border shopping

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

Jozef Kubovič in his excellent thesis aimed to estimate the extent of cross-border shopping of automotive fuel for the Czech Republic and neighbouring countries. He used monthly data for the period of 2005 – 2012 and the methods developed by Leal et al. (2009). I enjoyed supervising Jozef's thesis because his research questions are interesting and clear and he uses appropriate data and methods to answer them.

The results turned out to be interesting as well. Jozef found the evidence of a negative relationship between prices of petrol in the Czech Republic and its consumption as well as a positive relationship between relative price of petrol in Germany upon the consumption of petrol in the Czech Republic. These two findings suggest the negative own-price elasticity of fuel in the Czech Republic and the presence of the cross-border shopping from Germany to Czech Republic, respectively. In terms of empirical contribution, to the best of my knowledge, Jozef provides the first rigorous estimates of cross-border shopping of automotive fuel for the Czech Republic.

I believe that in many aspects Jozef's bachelor thesis is comparable to most master theses. Nevertheless, here I identify some parts of the thesis that could be marginally improved. One of them is its structure (e.g. too many references to various sections suggest that a more effective organisation of the text could be achieved). Another area for improvement is the description of econometric methods (e.g. section 3 first explains variables and then a model, which is not standard in academic articles). Also some other than econometric assumptions seem relatively strong and without reference to any evidence (e.g. p.8 "we know that most of the vehicle drivers are rational" or p. 15 "consumers that purchase fuel in that region are going to make the trip anyway"). Also there is a potential for improvements in the literature review. Specifically, the coverage of international literature is appropriate, but it should be discussed in a more concentrated way and, especially, Czech literature and literature relevant for the taxation of fuel and cross-border shopping in the Czech Republic should be discussed more. Also, Jozef faces some new problems with the estimation – such as the contamination of the results with the exchange rates in contrast to Leal et al. (2009), various currencies are used in the regions) – but he deals with them appropriately.

Jozef Kubovič did an excellent job of writing a thesis. Therefore I recommend an overall grade of **excellent (výborně, 1)**. Furthermore, in my opinion, his thesis not only deserves the best grade, but also **the Dean's distinction**, for which I recommend it.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	28
<i>Contribution</i> (max. 30 points)	30
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	96
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Petr Janský, M.Sc.

DATE OF EVALUATION: 10th June, 2013


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