

Report on Bachelor / Master Thesis

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

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| Student: | Bc. Daniela Toušková |
| Advisor: | prof. Ing. Oldřich Dědek, CSc. |
| Title of the thesis: | Scoreboard Indicators as a Measure of Macroeconomic Imbalances |

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

Proposed diploma thesis deals with an important issue of measurement of the macroeconomic indicators and their efficiency to capture macroeconomic imbalances. Work builds on the scoreboard indicators defined by European Commission within the scope of Macroeconomic Imbalance Procedure. The main question of the thesis, whether the defined scoreboard indicators are able to capture the macroeconomic imbalances, is carefully addressed through several econometric techniques.

The second and third part of the thesis are devoted to the development of macroeconomic imbalances in the Eurozone and to measures adopted against these imbalances. The Eurozone issue is addressed correctly and with sufficient citations, however, it is not clear why only Eurozone's macro imbalances are treated since the thesis further implies division into old and new member states and Eurozone issue as such is not addressed in the models. Further the Macroeconomic Imbalance Procedure is described and is followed by rather descriptive and profound explanation of the indicators, their measurement and values.

Next two parts (parts 6 to 8) are analytical providing the data description and techniques used in the analysis. Appropriate tests for stationarity, cointegration and spurious regression are applied. Suggested problems with the dataset are addressed also in the interpretation of results, which should be appreciated. The eighth part of the thesis, which includes the performance of the models, is rather descriptive with less attention paid to the interpretation of the result. However, the formal side of the analysis is done precisely and interpretation is addressed further in the Summary.

The key question here is the purpose of such analysis. As author states she hopes that this analysis "will be perceived as inspiring at least and ... can serve as a basis for further analyzing" (Toušková, 2013, p.85). This corresponds with my recommendation to work more on the interpretation of the results which is done only briefly in the Summary part. Moreover, the Summary does contain a lot of new information which should have been mentioned earlier in the thesis.

Concerning the formal side of the work, since a lot of it is devoted to econometrics with a lot of formulas, the usage of TeX or other text-programming software would be appropriate. On the other hand, I appreciate that thesis is written in English on the satisfactory level.

Suggested question:

Based on your analysis can you say that indicators chosen by EC are sufficient? Do you see any other indicators to better capture the macroeconomic imbalances?

In the case of successful defense, I recommend "**výborně**" (excellent, 1).

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

| CATEGORY | POINTS |
|---------------------------------------|-----------|
| Literature (max. 20 points) | 20 |
| Methods (max. 30 points) | 30 |
| Contribution (max. 30 points) | 20 |
| Manuscript Form (max. 20 points) | 20 |
| TOTAL POINTS (max. 100 points) | 90 |
| GRADE (1 – 2 – 3 – 4) | 1 |

NAME OF THE REFEREE: Ing. Monika Martišková

DATE OF EVALUATION: 19/06/2013

Referee Signature