

# Report on Master Thesis

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

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Advisor:	Zuzana Fungáčová, PhD
Title of the thesis:	Future of Inflation Targeting in the Russian Federation

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

The thesis investigates an important and in particular policy relevant issue of inflation targeting implementation in a big and significant emerging market. The work is well structured. Literature review proves the understanding of both the literature concerning inflation targeting as well as literature focused on the developments in Russia. Moreover, the interpretation of the results indicates very good knowledge of the current situation in Russia.

The empirical work is carefully done. Relevant methods are implemented to test the main hypothesis. However, the potential problems and limitations of the empirical part are also acknowledged.

Therefore it would be interesting to see some robustness checks by e.g. including the alternative variables in the model, especially concerning the interest rate proxy.

In the introduction it is mentioned that the results are applied in the forecasting the future developments in the Russian monetary policy but this does not seem to be the case at the end of the work. It would be good to provide more ideas on this at least in the conclusion.

In general writing can be improved at some points (e.g. providing background from previous literature in the section discussing the factors influencing inflation; or interpreting the results of the empirical part in a more concise way).

Suggested question for the defense: do you think that the crisis that hit Russia in mid 2008 could have influenced your results and if so in which way and what is the economic intuition for it?

Overall, the work is very well done and in the case of successful defense, I recommend „výborně“ (1, excellent)

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

CATEGORY	POINTS
Literature (max. 20 points)	19
Methods (max. 30 points)	30
Contribution (max. 30 points)	26
Manuscript Form (max. 20 points)	18
<b>TOTAL POINTS</b> (max. 100 points)	<b>93</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	

NAME OF THE REFEREE: Zuzana Fungáčová

DATE OF EVALUATION: 19.6.2013

  
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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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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