

Report on Master Thesis

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

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| Student: | Eda Dokle |
| Advisor: | Zdeněk Tůma |
| Title of the thesis: | Inflation targeting in dolarized countries |

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

In this master thesis, the author looks at the impact of inflation targeting on the economic performance of countries in the CEE and CIS region. This is an excellent thesis and I truly enjoyed reading this work. The language of the thesis is outstanding: punchy, to the point and able to explain relatively complex economic concepts in a simple and easy to understand way. Not often I have an opportunity to asses a thesis of such high quality and for that reason, I propose the grade 'Excellent' (1)

The author shows a deep understanding of the subject and explains well the main features of inflation targeting, as well as its advantages and disadvantages in comparison to alternative tools of monetary policy. The thesis contains an impressive overview of academic literature and the author works well with the external sources, in particular when walking a reader through the main economic concepts underlying this thesis.

The author also shows a good understanding of economic circumstances in different countries on which the thesis is focusing. I found the short case studies in chapter 4 very useful and they served as a good stepping stone for the econometric analysis presented in chapter 6.

The empirical analysis appears to be sufficiently rigorous and reasonably robust. The author follows an up-to-date methodology for the empirical assessment of inflation targeting. This section might benefit from more 'hand-holding' of the reader, explaining clearly why the

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standard difference-in-difference approach might not be the most appropriate in this case. Also, it seems that the author is working with a relatively small data sample of <30 observations, so it would make sense to critically asses any potential limitations or result biases arising from this.

Lastly, the conclusion chapter should be written in the way that it can be read as a standalone piece even by readers without knowledge of the previous chapters, which does not seem to be the case here. However, this is something that could be easily fixed.

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

| CATEGORY | POINTS |
|-----------------------------------------|---------------|
| <i>Literature</i> (max. 20 points) | 20 |
| <i>Methods</i> (max. 30 points) | 25 |
| <i>Contribution</i> (max. 30 points) | 27 |
| <i>Manuscript Form</i> (max. 20 points) | 20 |
| TOTAL POINTS (max. 100 points) | 92 |
| GRADE (1 – 2 – 3 – 4) | 1 |

NAME OF THE REFEREE: PhDr. Goran Serdarević M.A.

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Referee Signature