

# Report on Master Thesis

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

<b>Student:</b>	<b>Bc. Tomáš Klinger</b>
<b>Advisor:</b>	<b>PhDr. Petr Teplý, Ph.D.</b>
<b>Title of the thesis:</b>	<b>Systemic risk and sovereign crises</b>

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

The pending global crisis has changed the view on world financial markets and highlighted the importance of connectivity among market players. Tomáš Klinger has chosen an interesting topic for his master thesis dealing with systemic risk and sovereign crises.

The thesis consists of seven main chapters. After short introduction the second chapter deals with the context of state aid to financial institutions and related feedback loops. The third one presents a theoretical background serving as a good basis for Tomáš's research. The fourth chapter describes the network model. In the fifth chapter of the thesis the author presents the results of the Monte Carlo simulations performed with the model. In the sixth chapter the author calibrates the model to the real-world banking data and therefore contributes to the current debate on systemic stability and the nexus between banks and sovereigns. The last seventh chapter concludes the work and states final remarks.

The thesis fulfills format requirements and is worked out nicely the estimated models has a high discriminatory power. Tomáš has developed own network model and calibrated it on real data, what makes his work outstanding. I believe that a part of the thesis might be published in a journal with a high impact factor. The author has been meeting his advisor on a regular basis, cooperated with him closely and reflected his comments to the final version of the thesis.

The thesis by Tomáš Klinger shows that he has developed a solid academic approach and built own systemic risk models. The topic chosen is highly attractive subject which makes his contributions valuable, in particular to systemic risk modelling. I consider this master thesis as an excellent piece of academic work and support it to be accepted in this form. All in all, I propose **Grade A from this thesis and the Dean's award for excellent master thesis.**

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Literature</i> (max. 20 points)	19
<i>Methods</i> (max. 30 points)	30
<i>Contribution</i> (max. 30 points)	30
<i>Manuscript Form</i> (max. 20 points)	19
<b>TOTAL POINTS</b> (max. 100 points)	<b>98</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1*</b>

**NAME OF THE REFEREE:** Petr Teplý

**DATE OF EVALUATION:** 1. 6. 2013

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**Examiner Signature**

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## **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	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě