

# Report on Bachelor Thesis

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

<b>Student:</b>	<b>David Pospíšil</b>
<b>Advisor:</b>	<b>Julie Chytilová, Ph.D.</b>
<b>Title of the thesis:</b>	<b>Efekt nulové ceny: experiment</b>

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

In his thesis, David Pospíšil studies an important concept in behavioral economics - the zero price effect. He replicates an economic experiment conducted by Ariely, Shampanier and Mazar (2007) among MIT students. The contribution is not only the replication of the experiment in the Czech Republic but among two types of non-student populations – employees in a business park (presumably a group with higher education and income) and customers at a waste collection point (presumably a group with lower education and income).

The results of the experiments did not confirm the existence of the zero price effect. The demand increased when one of the products was offered at zero price, but at the same time the demand for the other product which was also discounted but not for free increased as well. Surprisingly, at the waste collection point, the demand for the product for free actually decreased. In general, very few people bought the offered products which makes it difficult to analyze the effects.

The manuscript is relatively well structured. The methodology is appropriate and the experiments were carefully conducted. David links his work with the existing theoretical and empirical studies. It is not clear to me, why the study by Cohen and Dupas (2010) is included in the literature review. The context is important (usage of mosquito nets in malaria regions), but the authors do not seem to study the zero price effect (although they observe higher demand when the price is zero). This might be a question discussed at the defense.

I appreciate David's enthusiasm and effort to run the experiments. He proved to have great organizational skills since he managed to agree with the representatives and implement the experiment at both the office park and waste collection point. He also invested his own resources to cover the costs of the experiment.

I am happy to recommend the thesis for the defence and suggest grade A (výborně, 1).

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Literature</i> (max. 20 points)	15
<i>Methods</i> (max. 30 points)	27
<i>Contribution</i> (max. 30 points)	25

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<i>Manuscript Form</i> (max. 20 points)	15
<b>TOTAL POINTS</b> (max. 100 points)	<b>82</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

***NAME OF THE REFEREE: Julie Chytilová***

***DATE OF EVALUATION: August 20, 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.*

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