

Report on Bachelor / Master Thesis

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

Student:	BRATRŠOVSKÝ Martin
Advisor:	PhDr. Milan Rippel
Title of the thesis:	Development of Structured Financial Products during the Crisis

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

The thesis describes in a parsimonious way the main structured financial products, with a focus of their use during and after the recent financial crisis. It comprises the theoretical background, a brief history, a description of the main categories of structured financial products (asset-backed securities, collateralised debt obligations and mortgage-backed securities), and a conclusion. The methodology is relatively simplistic, being based on data analysis, without undertaking some econometric modelling due to short-time series. The author finds that the structured financial products had their contribution to the credit crunch and financial crisis of 2007-2009, which ended the era of these financial products, as their issuance strongly declined and remains nowadays at much lower levels compared to the pre-crisis period.

I have only few specific comments:

- The overall research is based on qualitative methods, rather than quantitative analysis as argued by the author. The thesis is too descriptive, being largely based on literature review and few charts, which limited the research potential and undermined the robustness of findings. The problem of short time-series could be addressed by employing panel data models and by exploring more intensively, the existing econometric literature conducted in this field. Thus, the overall research is based on a too simplistic methodology.
- The author does not explain clearly enough the motivation behind the research, which I would expect to see at the very beginning of the introduction. Instead, it begins with a series of examples and statistics which are not very suitable for the introduction part of the thesis.
- The thesis lacks a complex discussion about the impact of easy monetary policies in US and EU and the global imbalances between the emerging and developed countries which has their contribution to the structured financial products development.
- There is no discussion about any policy recommendations.
- Although the bibliography contains good quality papers, it is too poor, with only 13 references.

In case of successful defence, I recommend "velmi dobre" (very good, 2).

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	17
<i>Contribution</i> (max. 30 points)	22
<i>Manuscript Form</i> (max. 20 points)	16
TOTAL POINTS (max. 100 points)	73
GRADE (1 – 2 – 3 – 4)	2

NAME OF THE REFEREE: Adrian Lupusor

DATE OF EVALUATION: 10.06.2013



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	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě