

Report on Bachelor / Master Thesis

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

Student:	Bc. Nikola Burešová
Advisor:	Doc. Roman Horváth, Ph.D.
Title of the thesis:	Foreign and Domestic Currency Loans in Central Europe: An Empirical Analysis

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

The thesis examines the determinants of borrowing in foreign currency. The panel data models are estimated for Central European countries to address this issue. Foreign currency borrowing is a serious policy issue in many Eastern European countries. It limits the effectiveness of monetary policy and spurs many policy reactions by authorities.

For example, the issue became so serious in Hungary that Hungarian authorities decided to prohibit borrowing in foreign currency. Therefore, it is natural to examine which characteristics matter for this phenomenon. According to this thesis, bank characteristics seem to matter more than macroeconomic environment.

The thesis represents a solid example of policy oriented work. It is well written although its contribution vis-a-vis previous literature could be stressed more. Unlike previous studies, this thesis covers the period of global financial crisis. Substantial sensitivity analysis is carried out to check the stability of regression results. The thesis contains extensive description of policy issues.

I recommend the thesis for defence and suggest the grade A.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	19
<i>Methods</i> (max. 30 points)	23
<i>Contribution</i> (max. 30 points)	23
<i>Manuscript Form</i> (max. 20 points)	19
TOTAL POINTS (max. 100 points)	84
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Doc. Roman Horvath, Ph.D.

DATE OF EVALUATION: August 14, 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	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě