

Report on Bachelor / Master Thesis

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

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|-----------------------------|--------------------------------------------------------------|
| Student: | Martin Strobl |
| Advisor: | Karel Janda |
| Title of the thesis: | Forecasting Tobacco Consumption in the Czech Republic |

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

The thesis is a nice example of applied microeconomic analysis.

Martin Strobl takes an interesting data set of a specialized survey conducted by health professionals and he uses this dataset for his applied economic analysis of Czech tobacco consumption.

He first computes fixed smoking behaviour, as of 2012 or 2013, based on that survey. Then he takes the- state- of- art demographic prediction (and this demographic prediction is by its nature variable for different years) and he combines this variable demographic prediction with current point estimate of smoking behaviour. Finally he attributes financial meaning to his estimation by providing simple deterministic connection between tobacco consumption and tobacco tax revenues.

The literature review is well done, covering the relevant literature. For the bachelor thesis, the analysis is conducted on appropriate level and it is sufficiently original for this purpose.

Major troublesome simplifying assumption used in this model is the assumption of the same death probability for smokers and nonsmokers. During the defense Martin Strobl should talk more about this assumption and other simplifying assumptions as compared to major reference work of Mendez et al. (1998) and to suggest possible ways how to improve in the future possible work on this topic.

As a conclusion, I recommend this thesis for the defense and I recommend the grade Excellent (grade 1).

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

| CATEGORY | POINTS |
|-----------------------------------------|---------------|
| <i>Literature</i> (max. 20 points) | 19 |
| <i>Methods</i> (max. 30 points) | 25 |
| <i>Contribution</i> (max. 30 points) | 25 |
| <i>Manuscript Form</i> (max. 20 points) | 19 |
| TOTAL POINTS (max. 100 points) | 88 |
| GRADE (1 – 2 – 3 – 4) | 1 |

NAME OF THE REFEREE: Karel Janda (the advisor for this thesis)

DATE OF EVALUATION: May 23, 2015

Karel Janda

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 |