Report on **Bachelor / Master Thesis**

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

Student:	**Alemayehu Demissew Taye**
Advisor:	**Roman Horvath**
Title of the thesis:	**Evaluation of Monetary Policy in Ethiopia: An Empirical Study**

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

The author employs structural vector autoregression (SVAR) to estimate the effects of monetary policy in Ethiopia for the period after 1991. The author finds that monetary policy has an effect on output, but the effects vary across different monetary policy instruments.

It's clear the author read a lot of relevant literature and provides a fine summary. The literature review is pretty broad and it would be helpful if it were more sharply focused on the question studied.

The thesis would leave a much better impression if the author spent more time on polishing the text. The text is sometimes hard to follow, there are a lot of typos, mistakes in numbering tables, etc.

Since I am not a specialist on monetary policy, it is hard for me to assess the contribution of the thesis and will leave this more on the supervisor. My impression is that the author competently applies on Ethiopean data the standard ecometric tools commonly used in the literature on monetary policy. This is certainly a useful exercise and I am sure the author learned a lot of skills that he could use in the future.

Here are two possible questions for a defense:
The author intrapolates missing quaterly data on GDP from annual data. Is this common in the literature? I can imagine this introduces a lot of noise in the data. Given that GDP is a crucial variable, has the author tried to do some robustness checks (i.e., sensitivity to using other methods of intrapolation, or using just the annual data)?

The description in section 3 seems to suggest that the setting of money supply is pretty automatic -- based on development of nominal GDP. Given that changes in money supply can be anticipated, isn't it surprising that money supply changes seem to have the most persistent effects on real output?

In sum, the thesis satisfies IES requirements and I propose grade B.

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

Report on **Bachelor / Master Thesis**

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

Student:	**Alemayehu Demissew Taye**
Advisor:	**Roman Horvath**
Title of the thesis:	**Evaluation of Monetary Policy in Ethiopia: An Empirical Study**

CATEGORY		**POINTS**
Literature	*(max. 20 points)*	15
Methods	*(max. 30 points)*	25
Contribution	*(max. 30 points)*	15
Manuscript Form	*(max. 20 points)*	10
TOTAL POINTS	*(max. 100 points)*	**65**
GRADE	**(1 – 2 – 3 – 4)**	**2**

NAME OF THE REFEREE: Michal Bauer

DATE OF EVALUATION: 25.5.2015

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