Report on Bachelor / Master Thesis

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

Student:	Sukhbaatar Bilguun
Advisor:	Ing. Aleš Maršál, M.A.
Title of the thesis:	Monetary policy regime through the lense of New Keynesian DSGE model : case of Mongolia

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

- The main goal of the thesis is to evaluate the welfare for various monetary policy regimes in Mongolia (e.g. CPI targeting, Taylor rule, currency board). To identify the optimal policy regime the thesis uses calibrated small open economy DSGE model.

- The thesis is well executed and clearly written. The methodology seems appropriate and the model is well described. The author should be applauded for his effort.

- I have only three comments on the thesis:

1) The thesis lacks the clarification of its place in the existing literature on DSGE models for Mongolia. Author describes the three papers for Mongolia (section 2.2), but does not mention how his work differs from them and what his contribution is.

2) One thing that I miss the most is the justification of the use of calibration. Adding a discussion why the author chose to calibrate the model, instead of estimating it would improve the thesis. (Estimating DSGE models seems to be the best-practice (though not without issues) in the literature, and moreover there are papers according to the thesis' literature review that successfully estimated DSGE model for Mongolia using Bayesian methods). I am not suggesting that the author should estimate the model, I would only like to see the discussion regarding the issue.

3) The thesis would benefit from careful editing and proofreading. There are quite a lot of typos present in the thesis: e.g. Kyenesian (keywords), Altenrative (p. 2), Jorda, (p.4), Imulse (Figure 7.1,7.2,7.3), etc.

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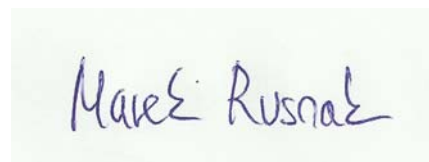| Student:	Sukhbaatar Bilguun
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- On the whole, this is a well-executed thesis and therefore I suggest grade 1.

- Suggested question for the defense: *Has the author tried to estimate the DSGE model, possibly by Bayesian methods (the thesis proposal mentions parameter estimates in the outline)? Could he elaborate on the issues connected with estimation of DSGE models for Mongolian economy, e.g. with respect to parameter identification, data limitations, structural breaks, etc.*

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

CATEGORY		POINTS
Literature	*(max. 20 points)*	20
Methods	*(max. 30 points)*	27
Contribution	*(max. 30 points)*	25
Manuscript Form	*(max. 20 points)*	18
TOTAL POINTS	*(max. 100 points)*	**90**
GRADE	**(1 – 2 – 3 – 4)**	**1**

NAME OF THE REFEREE: marek rusnak

DATE OF EVALUATION: 8.6.2013

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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