

Report on Bachelor / Master Thesis

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

Student:	Bilguun Sukhbaatar
Advisor:	Aleš Maršál
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 goal of the thesis is to compare alternative monetary policy regimes applicable for the Central Bank of Mongolia. Author builds his analysis on a small open economy New Keynesian DSGE model. The model is calibrated to match the underlying macro data for the Mongolian economy. The calibration relies mainly on the parameters previously used in the related literature for Mongolia. Unfortunately, author does not show that the calibrated model can match the underlying data from Mongolian economy. The model is driven by productivity and foreign output shock. Author uses laid out framework to compare alternative policy regimes, domestic inflation-based Taylor rule, Currency board with fixed exchange rate and simple Taylor Rule. The criterion to evaluate the monetary policy regimes is based on welfare costs.

Bilguun utilizes in his thesis model which become workhorse model in monetary policy analysis. Even though that slightly simplified version of the model is currently standard content of textbooks on monetary policy, the open economy extension model was not part of Bilguun curriculum. Bilguun successfully managed independently to apply the technics he learnt during his studies to work out the small open economy extension of the basic NK DSGE model and derive the welfare loss function. The actual real contribution of the thesis itself to the literate is the calibration to Mongolian economy and careful and illustrative interpretation of the results. He demonstrates that he has got familiar with the related literature. Throughout the work out of the thesis author made significant progress in his academic writing style.

As an optional question to Bilguun I suggest that he demonstrates the ability of his model to fit the second moments of actual data on Mongolia. In case of successful defense I recommend excellent.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	28
<i>Contribution</i> (max. 30 points)	27
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	93
GRADE (1 – 2 – 3 – 4)	1

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NAME OF THE REFEREE:

DATE OF EVALUATION:

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