

Report on Bachelor / Master Thesis

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

Student:	David Vostřák
Advisor:	doc.Mgr. Tomáš Holub, PhD.
Title of the thesis:	Current account adjustment in Baltic countries

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

This thesis is focused on evolution of current accounts in Baltic countries from practical and empirical point of view. In this thesis is employed intertemporal model of representative agent, who maximizes her utility by optimizing her consumption profile over infinite time horizon. Furthermore, author expected that huge current account deficits in past years are results of previous periods' growth expectation, which were too optimistic. This expectation was clarified by author's research.

The thesis is divided into 7 chapters, where two of them are theoretical, three of them are empirical and introduction and conclusion. Regarding theoretical parts, author's literature review is quite short but accurate. This might be because of the combination of the field of research and the countries selection, which could have lowered number of studies dedicated to similar topics. However, these parts are very understandable and provide reader of solid knowledge for further reading.

Following chapters are dedicated to methodology and empirics. The methodology introduced by author of this thesis is reasonable and clear. Author used VAR of order one to estimate the interdependencies, this model is suitable for this task and I like author's choice of this model, because it is simple and efficient.

Moreover, parts aimed on the results are very well structured and keeps a reader into the problematics during reading this part.

On the other hand, I would appreciate longer conclusion and also sometimes I was missing author's ideas/opinions/hints/suggestions.

Altogether, this thesis fulfills all requirements and therefore I recommend it for the defense with the grade **excellent**.

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

CATEGORY	POINTS
Literature (max. 20 points)	15
Methods (max. 30 points)	28
Contribution (max. 30 points)	27
Manuscript Form (max. 20 points)	17
TOTAL POINTS (max. 100 points)	87
GRADE (1 - 2 - 3 - 4)	1

NAME OF THE REFEREE: Mgr. Daniel Šopov, M.Sc.

DATE OF EVALUATION: 8.6.2014

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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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