

Report on Bachelor / Master Thesis

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

Student:	Bc. Jan Mareček
Advisor:	Doc. Roman Horváth, PhD.
Title of the thesis:	Can Monetary Policy Create Asset Bubbles?

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

The thesis examines quantitatively an important policy topic, namely, whether the periods of too low interest rates can contribute to formation of asset price bubbles. It estimates various panel data models to examine the aforementioned policy issue. It uses the deviations from Taylor rule as the measure of monetary policy stance and defines the asset price bubbles in line with a recent study of Bordo and Lane (2013). Housing prices and stock market prices are used as asset prices.

In fact, the work of Bordo and Lane (2013) is closely related to this thesis and this thesis extends this work in several ways. I appreciate that the thesis at our institute can extend the recent study by a leading scholar in monetary history (Bordo).

The thesis is well-written. The author shows excellent understanding of related literature. The econometrics is applied consistently and uses the methods that are currently applied in the field. The thesis has a logical structure and clear hypotheses.

Overall, I suggest the thesis to be defended and recommend the grade A.

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

CATEGORY	POINTS
Literature (max. 20 points)	19
Methods (max. 30 points)	28
Contribution (max. 30 points)	28
Manuscript Form (max. 20 points)	19
TOTAL POINTS (max. 100 points)	94
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Roman Horvath

DATE OF EVALUATION: May 29, 2014



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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