

Report on Bachelor / Master Thesis

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

Student:	Veronika Horváthová
Advisor:	PhDr. Martin Gregor Ph.D.
Title of the thesis:	The VAT lottery as a charitable lottery

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

The thesis presents microeconomic models of the VAT lotteries in Slovakia and Taiwan. Author presents basic model with several extensions (e.g. firm inclusion) and also discusses possible weakness or oversimplifications of the models.

Generally the thesis is above bachelor-level standards. Author shows high ability of microeconomic modelling on bachelor level. Her work is also contributive at least from the point of Slovakia and Taiwan lottery models. I have no serious critical comment related to the thesis. Therefore I grade the thesis as excellent.

I would mention only several minor details:

I would appreciate at least small chapter related to microeconomic modelling of VAT lotteries. Some relevant papers are cited but for a reader it would be interesting to find a small concentrated chapter showing whether the VAT models are in the centre of the microeconomic literature. The author then can also very easily show her contribution to the contemporary literature.

Author claims that the set of assumptions is the same as in Morgan (2000) study. Does it mean that there is a match only in some basic axioms of his model or also in the model itself? In general some small chapter introducing or just describing the Morgan study would be welcomed. A reader then would understand more clearly why author claims that the VAT lottery can be modelled as the charitable one.

On page 15 and 16 author introduces a utility function. A reader can be mistaken whether author regards function U_i or h_i as a utility function. The function h_i is not included in the describing paragraph under the equation on p. 15 and the comparison of marginal utilities on p.16 includes function h_i creates an impression of h_i being the utility function – partly in contradiction with the last sentence of the first paragraph in chapter 3.1.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	30
<i>Contribution</i> (max. 30 points)	30
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	96
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *Michal Paulus*

DATE OF EVALUATION: 8.6.2015



Referee Signature