

Report on Master Thesis

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

Student:	Bc. Sanjidmaa Batmunkh
Advisor:	doc. Mgr. Tomáš Holub, Ph.D.
Title of the thesis:	Exchange Rate Pass-Through in Mongolia

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

The Master thesis comes with estimation of Mongolian Tughrik exchange rate pass-through to Mongolian inflation. Estimation of pass-through is crucial knowledge of each central bank. The more importantly if it is a small open economy as the Mongolian economy is (regardless the size of the country). Further, knowledge of the exchange rate pass-through is even more important for the Mongolian central bank since the consumer basket includes 62 % of imported goods. Hence, the Master thesis is highly policy relevant and thus is not adding much to the theory.

The Master thesis addresses all important issues related to the exchange rate pass-through estimation which shows mastering the econometric techniques related to this topic even though the coefficients of the baseline VAR estimation are not reported. On top of that the analysis is extended by estimation of asymmetry and non-linearity. This distinguishes the master thesis from Doojav (2009) which is the first study of exchange rate pass-through in case of Mongolia.

Nevertheless, the work load behind the master thesis is not presented accordingly. The master thesis miss coherent graphical outline, suffers from inconsistent citation, local incomprehensibility and lack of text coherence.

In general, the master thesis could be definitely better presented, but elaborates policy relevant topic with help of econometric techniques which correspond to student of a master program.

Suggested question for the defense is:

- Citing the conclusion “In spite of this relatively high pass through, the exchange rate shocks explain a relatively small percentage of the variation in CPI inflation”. What is the implication for the monetary policy?
- Might be there a problem of the consumer basket composition, when 62 % of the basket is imported and still the exchange rate shocks do not cause higher CPI inflation variation?

I recommend “velmi dobře” (good, 2).

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	15
<i>Methods</i> (max. 30 points)	20
<i>Contribution</i> (max. 30 points)	20
<i>Manuscript Form</i> (max. 20 points)	10
TOTAL POINTS (max. 100 points)	65
GRADE (1 – 2 – 3 – 4)	2

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NAME OF THE REFEREE: Ing. David Kocourek

DATE OF EVALUATION: June 19, 2013

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