Report on Bachelor / Master Thesis

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

Student:	Lenka Líšková
Advisor:	Jaromír Baxa
Title of the thesis:	The Strengths and Limitations of Input-Output Analysis in Evaluating Fical Policy

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

Lenka Líšková presents an interesting diploma thesis discussing the possibilities of the input-output analysis to evaluate the effects of fiscal policy shocks. She presents an attempt to discuss robustness of the current knowledge based on different methodologies, e.g. NK-DSGE models and VAR models.

In particular, the thesis investigates the effects of scappage schemes in automotive industry and ICT investment subsidies on a panel of five countries: Australia, Germany, Japan, the U.K. and the U.S. These countries were chosen in order to provide representative group of different G20 countries. In this manner, Lenka implicitly tackles the fact that some of the results could be potentially country-specific.

The thesis is based on solid work with the literature. Although there is not much about the fiscal stimulus debate of 2008-2009, the literature review includes main papers that summarize the lessons we have learned that appeared more recently. Furthermore, the literature review surveys the current contributions in the field of input-output analysis as well. To be honest, I've been positively surprised that utilization of this methodology did not died out completely in recent years and that there are decent contributions based on this methodology up to now.

The analysis itself is correctly executed and the text demonstrates Lenka's solid command of the methodology she is using with number of critical remarks on different approaches that appear in the literature. From my point of view, the choice of the method is also described adequately.

Despite all these positive impression there are a couple of issues that could have been better. My critical remarks start already with abstracts: some parts are repeated and the abstract does not attract attention to the paper as it could with respect to the things that are included. Somewhat below the standards of the other parts of the thesis is also introduction that starts with quotations of general literature on economic theory and it is not going to the point. Sometimes, introduction is hard to read and occasionally rather strong formulations are used such as „general equilibrium and VAR models were underperforming" without proper argumentation proving them. Throughout the text similar small inaccuracies or strange formulations that distract from reading do appear, too, but the rest of the paper reads much better.

A couple of those minor things: Afonso-Ricardo => correct names are Afonso-Sousa; B-SBAR => B-SVAR; USA=> the U.S.; automobile => automotive...; or on p. 20 it is written: „Blanchard et al. (2009) comment that sustainability of fiscal policy..." but the criteria are related to successful fiscal stimulus, not sustainability as such. Fortunately, these are mainly minor issues that could have been tackled in some minor revision if the time had permit to do that.

Overall, the thesis presents an original piece of research that is performed quite well. Hence, I propose **grade A**, in case of successful defence of course. My suggestion for the discussion

Report on Bachelor / Master Thesis

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

Student:	**Lenka Líšková**
Advisor:	**Jaromír Baxa**
Title of the thesis:	**The Strengths and Limitations of Input-Output Analysis in Evaluating Fical Policy**

during defence would be the comparison of the different multipliers resulting from I-O analysis and those that are retrieved via DSGE or VAR models.

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

CATEGORY		POINTS
Literature	*(max. 20 points)*	18
Methods	*(max. 30 points)*	25
Contribution	*(max. 30 points)*	28
Manuscript Form	*(max. 20 points)*	12
TOTAL POINTS	*(max. 100 points)*	**83**
GRADE	**(1 – 2 – 3 – 4)**	**1**

NAME OF THE REFEREE: *Jaromír Baxa*

DATE OF EVALUATION: *January 31, 2015*

_____
                    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