

Report on Bachelor / Master Thesis

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

Student:	Jakub Rybák
Advisor:	Doc. Roman Horváth, Ph.D.
Title of the thesis:	Interest rate pass-through in the euro area: The effect of financial crisis

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

The thesis focuses on the estimation of interest rate pass-through in the euro area applying various cointegration methods. It examines the nature of transmission of short-term money market rates into the bank interest rates. It is very comprehensive study employing a wide range of econometric methods to a rich dataset.

One of the pertinent issues in this literature is to examine whether and to what extent the current global financial crisis changed the functioning of interest rate pass-through in the European countries. The thesis finds that indeed some change has taken place especially with the spreads increasing during the crisis and that the response of bank interest rates in various European countries became more heterogeneous during the crisis. Clearly, the changes in the interest rate pass-through have a direct policy relevance for the European Central Bank, as one of the steps for conducting successful monetary policy is a good knowledge of the transmission mechanism, i.e. how central bank actions affect the economy.

I could write a lengthy report on this thesis emphasizing its value added from different angles. But let me stress up front that this is one of the best Bachelor thesis that I read during approximately the last ten years. It is extremely comprehensive study with all appropriate literature cited. The relevant econometric methods and tests have been carried out to robustly examine the stability of the results. The thesis is extremely well written, very clear in the arguments and the text is polished and reads well. In addition, I was impressed that Jakub was able to master all advanced econometric methods by himself through self-study. This shows his intellectual maturity and ability to work independently on a large scale project.

I fully recommend the grade „výborně“ (A, excellent).

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

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

NAME OF THE REFEREE: Doc. Roman Horváth, Ph.D.

DATE OF EVALUATION: May 22, 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