

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Bc. Michael Bílý</b>
<b>Advisor:</b>	<b>Mgr. Petr Janský, M.Sc., Ph.D.</b>
<b>Title of the thesis:</b>	<b>Estimating the quadratic almost ideal demand system and the effects of population ageing in the Czech Republic</b>

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

This bachelor thesis provides an estimation of the Quadratic Almost Ideal Demand System (QUAIDS) of non-durable goods in the Czech Republic based on data from Household Budget Survey. The analysis includes 2 different specifications - the first one focuses on effects of reduction of value added tax on medication and books by 10% while the second one deals with population ageing phenomenon. The thesis itself is very well written with interesting conclusions. As such, it definitely fulfills the criteria for bachelor level state exams. In some aspects it goes much more beyond and under this light it could become a solid base for writing a master thesis or the author might consider publishing shorter version of this thesis in some journal.

## MINOR COMMENTS:

- Literature review could be extended by some empirical findings related to the Czech Republic or other post-transition countries.
- Citation style is inconsistent and needs improvement (sometimes the citation is meant to be at the end of the sentence but the ending of the sentence – „dot“ – is placed before it or it is even missing). See for instance pp. 9 and 11.
- By your claim: „The squared term is significant for 4 commodities as the resulting Engle curves of Food in, Household goods, Clothing and Transport are non-linear.“ you informally support the use of QUAIDS over AIDS which is linear. Though the outcome would probably be the same, the formal way how to provide support for your choice of methodology would be e.g. an application of Likelihood Ratio Test. See for instance Dybczak et al (2014).

## SUGGESTED QUESTIONS FOR DEFENSE:

- Methodology of the first model presented in the thesis heavily follows the exposition of Jansky (2014). Even though Jansky (2014) might be considered as a benchmark literature within the Czech boundaries, can you think of some elements that would potentially induce bigger added value of your first model compared to model of Jansky (2014)?
- Population ageing is undoubtedly a phenomenon that many developed countries will face in upcoming decades or even started to face already. On the other hand, the European citizens were flooded with news of migrant crisis throughout the year 2015. Do you think an inflow of new labor force would be a good solution to the population ageing problem in Europe?

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

CATEGORY	POINTS
Literature (max. 20 points)	15
Methods (max. 30 points)	30
Contribution (max. 30 points)	30
Manuscript Form (max. 20 points)	18
<b>TOTAL POINTS</b> (max. 100 points)	<b>93</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:** PhDr. Jan Hájek

**DATE OF EVALUATION:** 21.1.2015

  
\_\_\_\_\_  
**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