

Report on Bachelor Thesis

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

Student:	Nela Gábrišová
Advisor:	Tomáš Holub
Title of the thesis:	Helicopter Drop of Money - Is It Feasible in Practice?

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

This bachelor thesis deals with a theme, which is becoming increasingly topical in monetary policy debates, even though it has so far not been applied in practice, i.e. with the helicopter drop of money (HDoM) proposed by M. Friedman.

The thesis is written in decent English and has a logical structure. After the „Introduction“, the author illustrates in the „Theoretical background“ and „HDoM concept“ chapters that she understands nicely the nature of the modern fiat money system, constraints imposed on monetary policy by the zero lower bound on nominal interest rates, the general principles of unconventional monetary policy, and specifically the HDoM proposal. The literature overview provided in these chapters is sufficiently broad and covers both the „classical“ papers from the 20th century, as well as the recent literature. Chapter 4 describes „Practice from the real world“, which is however very limited, at least in terms of HDoM as such, partly because of the existing legal and logistical obstacles to such policy. That is why the author also presents some substitutes of HDoM, such as quantitative easing (QE). The effectiveness of QE in the US and Japan is then analysed empirically in chapter 5. This empirical analysis does not arrive at any strong, statistically-significant outcomes that would noticeably enrich the global literature, but for the bachelor level I consider it more than sufficient. In the „Conclusion“, the author suggests that the legal and institutional obstacles for the HDoM should be overcome in the future, to give central banks sufficient competences to address possible deflationary pressures.

During her work, the author consulted with me the content of her thesis actively, and has incorporated all my major comments. Therefore, I have no further specific remarks. **I recommend the thesis to be accepted and graded “excellent” (1, výborně).**

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	20
Contribution (max. 30 points)	25
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	85
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Tomáš Holub

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Referee Signature