

Report on Bachelor / Master Thesis

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

Student:	Bc. Šarlota Smutná, MSc.
Advisor:	Mgr. Milan Ščasný, Ph.D.
Title of the thesis:	Household food demand in the Czech Republic: coherent demand system dealing with selectivity

OVERALL ASSESSMENT

The thesis is devoted to deep theoretical as well as empirical analysis of household food demand in the Czech Republic. First and most important thing to mention in this assessment is that the master diploma thesis of Šarlota Smutná is of extraordinary quality from all possible points of view. The precision with which it is worked out, from the first to the last page, from theoretical background through practical usage of econometrics to formal aspects of the text, is really remarkable.

The thesis is structured as follows. Chapter 1 introduces to the topic. Chapter 2 represents the theoretical part of the thesis which based on extensive literature review elaborately describes and discusses various possibilities of how to analyse demand and then how to technically solve an often existing problem with real data – a presence of observations with zero quantity of consumption of a given item (selectivity problem). Chapter 3 then devotes to a voluminous empirical analysis of data on household demand for food in the Czech Republic. The author tests different characteristics of the dataset and discusses a choice of an appropriate model for estimation of demand elasticities, the estimation outcomes of which she presents. Then she continues with results of this model extended by 3 different approaches to solve the selectivity problem and compares them. In chapter 4 she nicely comments on similarities and differences among her and other existing studies based on Czech data. Finally, chapter 5 provides a conclusion.

I have only two very tiny comments on the thesis:

- A list of abbreviations is not offered to a reader.
- Concerning arrangement of chapters, it would be better to include the content of chapter 4 as a subchapter 3.3.4 (entitled: Comparison with other studies) within the chapter 3. First two (summarising) paragraphs of that section (3.3.4) could be then moved into the final concluding chapter as they would enrich with a bit more details a summary there.

Suggested question for the defence is:

- On page 53, the author presents the result of her final model that “the influence of location in the villages is negative for dairy&eggs (-0.0058) and vegetables (-0.0058) as can be expected as these aliments are usually gained from the gardening or keeping own hens in the garden”. I would like to ask whether this effect of such a “farming for yourself” is already somehow captured using the chosen method for solving of selectivity problem (Shonkwiler and Yen estimator; namely by the coefficient of a variable *natu_1*) or not. Could you explain this issue more in detail?

In case of successful defence, I recommend “**výborně**” (excellent, 1) and a distinction from the Dean of the Faculty for this thesis.

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SUMMARY OF POINTS AWARDED

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	30
Contribution (max. 30 points)	30
Manuscript Form (max. 20 points)	19
TOTAL POINTS (max. 100 points)	99
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Mgr. Pavla Břízová

DATE OF EVALUATION: 13. 6. 2016



Referee Signature