

Report on Bachelor / Master Thesis

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

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| Student: | Ladislav Habiňák |
| Advisor: | PhDr Jaromír Baxa, PhD |
| Title of the thesis: | Potential output, output gap and great recession in the Eurozone |

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

The thesis is quite ballanced in terms of the subject's introduction, review of the literature and methods, as well as the applied analysis. The empirical work itself is well performed and presented, albeit with some places ready for improvement. The language of the thesis is fine and only at a few places some small errors and omissions occure. Overall, this is a well written thesis and comments below point at some issues that could be accounted for.

Hypotheses are stated in a very clear manner and point at the goal of the thesis itself. Hypothesis no. 2 centers at the question of a structural break at the time of the Great Depression. As a tool the Chow test is employed. More disscution should be devoted to this issue. Alternative tests for endogenous detection of breaks do exist (for example Vogelsang, Andrews and Ploeburger, etc.) that might be even better suited to do the job.

In section 5.4 it is evident that techniques used (see Figure 5.4) do not catch a structural break. Short discussion would be beneficial.

Description of the forecasting methodology in Chapter 6 is very brief. It would help to pair the methodology with some other empirical work where it was used in order to provide a perspective.

Some abbreviations should be introduced first before being used (PF, NAWRU, etc.).

The student competently points at some drawbacks to his empirical analysis in Chapter 10. This is fine point. Still, maybe it would be worth to elaborate more on other potential drawbacks and this would be my suggestion as a sugested question for the defense.

In the case of successful defense, I recommend the grade " výborně" (excellent, 1).

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

| CATEGORY | | POINTS |
|---------------------|------------------------|-----------|
| Literature | (max. 20 points) | 20 |
| Methods | (max. 30 points) | 26 |
| Contribution | (max. 30 points) | 27 |
| Manuscript Form | (max. 20 points) | 20 |
| TOTAL POINTS | (max. 100 points) | 93 |
| GRADE | (1 – 2 – 3 – 4) | 1 |

NAME OF THE REFEREE: Evžen Kočenda

DATE OF EVALUATION: September 7, 2015



Referee Signature