Report on Bachelor / Master Thesis

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

Student:	Vladimír Kunc
Advisor:	PhDr. Ladislav Krištoufek Ph.D.
Title of the thesis:	Electricity market: Analysis and prediction of volatility

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

This bachelor thesis deals with analysis of prices in electricity market in Czech Republic and its main aim is to compare various different models according to their predictive ability. The thesis itself is very well conducted piece of work which definitely fulfills the criteria required for bachelor level state exams. In some aspects it goes much more beyond and might possibly become a solid base for writing a master thesis or author might consider publishing shorter version of this thesis in some journal. However, there are also several aspects that lack required level of quality and I will comment on them in following paragraphs.

TITLE:
- The title is "Electricty market: Analysis and prediction of volatility" but since the analysis conducted in the paper is clearly focused on Czech electricity market, I believe choosing narrower title would be in order. Author might consider: "Analysis and prediction of volatility in electricity prices: Czech market evidence".

ABSTRACT:
- The most important thing of your thesis (=result) is not included in abstract. As far as I am concerned that is serious mistake and results you obtained must be stated there.

CHAPTER 1:
- First chapter is the first one that I have problem with. In my opinion, introduction should be brief and informative stating several important aspects: (i) what is the paper about, (ii) what is the aim, (iii) what is the motivation, (iv) what are the main findings (+ value added) and (v) what is the structure. The paragraph starting with „Individual classes of models…several performance criteria." in conclusion should be at the end of introduction. Related works should become next Chapter.

CHAPTER 2 & 3:
- No specific comments, well written, clear. From general point of view, Chapter 2 and 3 should be merged into one chapter (in this setting 16 pages).

CHAPTER 4 & 5:
- Very well conducted. Once again, I have comment about structure. Chapter 4 and 5 should be merged into one chapter (in this setting 21 pages). Given the amount presented, I would suggest moving some charts or tables to Appendix.

CHAPTER 6:
- I would abstain from using „Short summary of …" in the title of subchapter, especially when its almost 5 pages long. I would suggest just writing „Summary of…" Given the amount presented, I would suggest moving some charts or tables to Appendix.

CHAPTER 7:
- Similarly as introduction, conclusion should be brief and informative stating several important aspects: (i) what was the paper about, (ii) what was the aim, (iii) what were

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the main findings, (iv) what are straightforward implications of these results and (v) what is the way forward. In your conclusion, there are 9 paragrahps in total (e.g. average length of paragraph is 9 lines) and the most important one is the last one which is the shortest of all (i.e. 3 lines). That is, there are several paragraphs that should not even be in conclusion such as the one starting with: „Individual classes…" and so on.

GENERAL COMMENTS:
- Main comment is about structure and for the purpose of suggestion (and illustration) it is discussed above).

- Other relevant comments are about the manuscript form. There is very weird style of numbering of pages. I believe that is generated automatically by the software used but I am of that opinion the numbering should be at the same place for each page. At best, you can divide between „left" and „right" pages but not between chapter pages and then other text pages. Also, there are empty pages. Again, automatically done by software used. For the purposes of a book, that is fine but for the purposes of a bachelor thesis, I believe this is unnecessary. Above all, there is worrysome number of typos and grammar mistakes (e.g. „approache" in abstract, missing blank spaces, etc.). Careful proofreading is therefore required.

SUGGESTED QUESTION FOR DEFENSE:
- In abstract you mention this work compares 144 different models' configurations but in conclusion you mention that 128 different models is used in total. Can you explain what is the difference between these numbers?

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

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

CATEGORY		POINTS
Literature	*(max. 20 points)*	15
Methods	*(max. 30 points)*	30
Contribution	*(max. 30 points)*	28
Manuscript Form	*(max. 20 points)*	8
TOTAL POINTS	*(max. 100 points)*	**81**
GRADE	**(1 – 2 – 3 – 4)**	**1**

NAME OF THE REFEREE: PhDr. Jan Hájek

DATE OF EVALUATION: 1.9.2015

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Referee Signature

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