

Report on Bachelor / Master Thesis

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

Student:	Bc. Vladimír Veselý
Advisor:	Doc. Roman Horváth, Ph.D
Title of the thesis:	(How) Does low inflation in euro area affect inflation in the Czech Republic?

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

The thesis examines to what extent consumer price shocks originating in the euro area affect the Czech prices. The author constructs block restriction vector autoregression model consisting from two block – the euro area and Czech block. The restriction in the vector autoregression model is set in the way that the Czech block of variables cannot affect the euro area ones, but not vice versa. The results suggest that the prices in the euro area are one of major drivers of Czech prices.

I find the thesis to be well-written and logically structured. The author cites appropriate literature, in fact, Vladimír shows great knowledge of existing related literature. The vector autoregression models is presented coherently and it is easy to follow the reasoning of the author. There is very comprehensive evaluation of the stability of the results. All important econometric tests are carried out. Overall, Vladimír has shown that he is able to work on large empirical project independently. There are some typos but not many.

Overall, it is an excellent thesis with explicit value added and well-executed applied econometric work. Therefore, I recommend the grade „výborně“ (A).

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

CATEGORY	POINTS
Literature (max. 20 points)	19
Methods (max. 30 points)	27
Contribution (max. 30 points)	26
Manuscript Form (max. 20 points)	19
TOTAL POINTS (max. 100 points)	91
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Doc. Roman Horváth, Ph.D.

DATE OF EVALUATION: August 25, 2016

Report on Bachelor / Master Thesis

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

Student:	Bc. Vladimír Veselý
Advisor:	Doc. Roman Horváth, Ph.D
Title of the thesis:	(How) Does low inflation in euro area affect inflation in the Czech Republic?



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