

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Michaela Svobodová</b>
<b>Advisor:</b>	<b>mgr. Michal Paulus</b>
<b>Title of the thesis:</b>	<b>Risk in International Trade</b>

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

**Contribution:** The author's main contribution is demonstrating that the political risk variable included in the Gravity does not yield robust results for estimating international bilateral trade flow on the dataset of 140 countries for years between 2002-2015. Although I do understand the challenge of such results, I find the conclusion part too short and without the attempt to properly explain how it can be addressed in future research (different methodology, different data, additional sets of variables?). Maybe applying the same model on the symmetric input-output tables by Eurostat or similar trading data by OECD.

**Methods:** Although the methodological part is performed in deep and satisfying way, I find the explanations of the results partially superficial. Also, it would be very helpful to have a more detailed description of the trade data used. The author does mention that the data was taken from the Comtrade database, but I tried accessing it to get better understanding, but I could not. Therefore providing a detailed description of how trade data is constructed is crucial, since it is the main variable of the research. Also, since the results did not fit the author's expectations, I miss a part describing how the issues could be addressed.

**Literature:** The literature review is comprehensive, and allows a good introduction in the matter even for a reader outside the field. Definition of the risk is provided, and types of risk and the potential solutions of risk mitigation are described clearly. In my opinion the literature review is missing a more detailed overview of previous empirical researches in the field. The history of methodology is shortly provided in section 3.2, but it focuses only on one model and does not provide enough methodological context.

**Manuscript form:** The manuscript form is facilitating easy reading of the paper and is satisfying the requirements toward a Bachelor Thesis format. I would suggest a more classical format of the tables with results though (not print screens).

In case of a successful defence, I recommend „**velmi dobře**“ (good, 2).

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution</i> (max. 30 points)	23
<i>Methods</i> (max. 30 points)	23
<i>Literature</i> (max. 20 points)	15
<i>Manuscript Form</i> (max. 20 points)	17
<b>TOTAL POINTS</b> (max. 100 points)	<b>78</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>2</b>

**NAME OF THE REFEREE:** Alina Cazachevici

**DATE OF EVALUATION:** 05.07.2017



**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	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě