

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Alona Fedorova</b>
<b>Advisor:</b>	<b>Jaromír Baxa</b>
<b>Title of the thesis:</b>	<b>How Much of the Macroeconomic Variation In Ukraine Originates From External Shocks?</b>

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

*Please provide your assessment of each of the following four categories, summary and suggested questions for the discussion. The minimum length of the report is 300 words.*

### **Contribution**

To our knowledge, this is the first paper that aims to investigate the impact of foreign shocks in Ukraine. In line with the expectations, the estimated share of shocks is extremely high, pointing to high external vulnerability of the economy of Ukraine. The results have profound implications for monetary policy of Ukraine where the central bank faces a difficult task to build credibility of its new monetary policy regime in times of violent conflict with Russia and domestic political unrest.

### **Methods**

The methodology relies on SVAR model with block restrictions. This methodology is well-suited for this kind of analysis. Furthermore, it is properly implemented and well described, also, the reasoning for the choice of the methodology is well-elaborated (see section 3.1). Perhaps the sensitivity analysis could have been focused on FEVD's rather than on impulse responses. Although I would perhaps opt for somewhat different specification as the baseline case, these choices are to some extent subjective and a matter of taste. What I find important is that from my discussions with Alona I'm sure she understands all the concepts remarkably well.

### **Literature**

To put it simply, the literature review is adequate.

### **Manuscript form**

The thesis is very well written and well-organized. The manuscript form contributes to the positive impression as well.

### **Summary and suggested questions for the discussion during the defense**

Overall, I believe Alona submitted decent piece of work that can deserve grade A. For the defense, I recommend to discuss the following. In her identification, Alona mentions that she wanted to avoid price puzzle in impulse responses. However, isn't price puzzle something one would expect to appear in the data from Ukraine? Second, is there any chance the external vulnerability would have been lower if the exchange rate would have been allowed to float?

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution (max. 30 points)</i>	28
<i>Methods (max. 30 points)</i>	27
<i>Literature (max. 20 points)</i>	20
<i>Manuscript Form (max. 20 points)</i>	20
<b>TOTAL POINTS (max. 100 points)</b>	<b>95</b>
<b>GRADE (A – B – C – D – E – F)</b>	<b>A</b>

**NAME OF THE REFEREE:** **Jaromír Baxa**

**DATE OF EVALUATION:** **January 25**



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**Referee Signature**

**EXPLANATION OF CATEGORIES AND SCALE:**

**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

**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

**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

**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	GRADE
91 – 100	A
81 - 90	B
71 - 80	C
61 – 70	D
51 – 60	E
0 – 50	F