

Report on Bachelor Thesis

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

Student:	Markéta Pilátová
Advisor:	RNDr. Michal Červinka, Ph.D.
Title of the thesis:	Optimization of oil production by OPEC countries

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

Contribution

The main goal of the thesis should be explained more explicitly. If the thesis aims to optimize the oil production of individual OPEC countries, big simplification is made since the supply side of non OPEC producers (mainly US) is not taken into account. However, the conclusion of the thesis is focused more on other questions like market power of OPEC (and in connection of Russia).

Methods

The author applies microeconomic theory of the oligopolistic market. The methods are adequate to the author's level of studies.

Literature

The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way. However, the literature could be also used to explicitly support the choice of elasticities used in the models and some of the conclusions (eg. "Recent events on the oil market seem to prove the first theory wrong, as OPEC is now pushing on prices to increase." on page 34).

Manuscript form

The thesis is well structured. The student uses appropriate language and style, including academic format for graphs and tables. I would recommend to refer to each table and figure explicitly not only by "the table below". If the author tries to publish the thesis in a journal, I will recommend to make Figure 1 readable in black and white.

Summary

The author proves she is able to work with the literature and apply economic theory. However, major revision would be needed to publish the thesis in an impact journal. Better explanation of the aim of the thesis in the introduction would help. The conclusion should be focused more on the question raised in the introduction. It is important to put the result in context, but the conclusion should support the result too. One of the conclusions (without any reference) is that OPEC had well-elaborated strategy aimed at maintaining market share and squeezing high-cost producers out of the market. In this context the added value of the analysis made in the thesis is not so clear.

Overall the thesis has very good level. I appreciate the applied methods. I would rate the thesis with A in the old 4 grade scale. I miss at least good explanation and discussion why the supply side of high-cost producers is not considered and therefore I recommend the grade B. Although I would change my recommendation to A if the suggested questions were answered in a satisfactory way.

Suggested questions for the discussion during the defense

Please, explain the main findings and added value of the thesis.

How would the result change if the supply side of high-cost producers was included?

How would be possible to include the supply side of high-cost producers into the analysis?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	15
<i>Methods</i> (max. 30 points)	29
<i>Literature</i> (max. 20 points)	18
<i>Manuscript Form</i> (max. 20 points)	19
TOTAL POINTS (max. 100 points)	81
GRADE (A – B – C – D – E – F)	B

NAME OF THE REFEREE: Lukáš Rečka

DATE OF EVALUATION: 5.6.2018



Referee Signature

