

Report on Master Thesis

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

Student: Gladiola Gjuzi

Advisor: Zdenek Tuma

Title of the thesis: Liquidity creation and banks' capital effect: GIIPCS countries case

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

The relationship between capital and lending (liquidity) became a topical issue for policymakers and researchers after the recent financial crisis. Regulators require more capital from banks (higher capital adequacy ratio) and there has been a concern that it could negatively influence the economic growth. Studies were focused primarily on bigger countries/banking sectors and there is a limited research in this area in economies covered in this thesis. This is a major contribution of this paper. The description of the economic/banking developments in these countries is useful

Methods

The author formulates several hypotheses and uses standard panel data analysis and applies Fixed effect model and 2SLS regression. In these type of analyses, it is quite often the problem to get a reliable data set. The author had to cope with this matter, too. The applied methods are described in detail, though personally I could imagine that a reference to textbooks would be sufficient in this part of thesis.

Literature

The author provides the overview of the relevant literature, including some aspects of regulation related to capital requirements. The overview is well structured and provides an introduction into the analytical part of the thesis.

Manuscript form

The thesis is well written and is at the usual level of master thesis (taking into account the author is not a native speaker).

Summary and suggested questions for the discussion during the defense

The paper satisfies requirements I expect from from master thesis.

Questions for discussion:

Why the author considered useful to work with more hypotheses and how she distinguished between them?

Does she consider the panel set appropriate and how it could be improved?

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

CATEGORY	POINTS
<i>Contribution</i> (max. 30 points)	20
<i>Methods</i> (max. 30 points)	20
<i>Literature</i> (max. 20 points)	10
<i>Manuscript Form</i> (max. 20 points)	15
TOTAL POINTS (max. 100 points)	65
GRADE (A – B – C – D – E – F)	D

NAME OF THE REFEREE: Zdenek Tuma

DATE OF EVALUATION: 16. 6. 2018

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