

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Bc. Kateřina Doskočilová</b>
<b>Advisor:</b>	<b>doc. PhDr. Tomáš Havránek, Ph.D.</b>
<b>Title of the thesis:</b>	<b>Forecasting Election Results in the Czech Republic</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**

The submitted thesis investigates the possibility to forecast election results in a multi-party political system using poll data and the betting market prices. In the empirical part, the author concentrates on the single election, parliamentary election in the Czech Republic held in 2017, which limits the contribution of the thesis. There is also not a clear distinction between the model presented in the thesis and the model of "kdovyhrajevolby.cz", i.e., p.24 author states that "The forecasting model in this thesis is an extended version of a model developed by kdovyhrajevolby.cz for the 2017 legislative election ..." but it is not specified how exactly model is extended, and whether it produces superior forecasts to the original model.

### **Methods**

Methods used in the thesis are standard one, and analysis is carried out properly. In the Methodology part, however, should be at least briefly discussed how the restrictions in the Dynamic linear model were set (p.27). In the "Betting odds" forecasts, the model should be adjusted so the lower bound of vote share will be limited to zero since the negative vote share is not possible (see Fig 5.5 and Fig 5.6)

### **Literature**

Literature used throughout the thesis is sufficient, and the author demonstrates good knowledge of it.

### **Manuscript form**

The structure of the thesis is clear and logical. I have only minor comments:

- p.26, Fig. 3.2: name of the right figure "pref\_volatility" might not be the best one - volatility is commonly used as a measure of the degree of variation measured by standard deviation and it cannot be negative
- p.26, eq 3.2 – error term should be  $u(t)$  not  $v(t)$
- p.26-27 – "sigmaR" and "sigmaQ" might be replaced by  $\Sigma_R$ ,  $\Sigma_Q$  as it is variance matrix

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

Overall, the thesis is well-structured and reads well. I have the following questions to be answered during defense:

- How exactly is your model different from the model of "kdovyhrajevolby.cz"?
- How were the restrictions in Dynamic linear model set?
- Will the forecasting results change with a different set of restriction? Have you tried different restrictions?
- How you calibrate/build your regression-based forecasting model? In the thesis (p.21), it is written that you do not concentrate on the 2018 presidential election in the Czech Republic because there is only one previous election that could be used to build the model. However, you do not show how you build your forecasting model using data from the previous parliamentary election (years 2013, 2010, 2006, etc. ) and you only use data from the recent election.

In case of successful defense, I recommend grade "B".

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Bc. Kateřina Doskočilová</b>
<b>Advisor:</b>	<b>doc. PhDr. Tomáš Havránek, Ph.D.</b>
<b>Title of the thesis:</b>	<b>Forecasting Election Results in the Czech Republic</b>

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

<b>CATEGORY</b>	<b>POINTS</b>
<i>Contribution (max. 30 points)</i>	20
<i>Methods (max. 30 points)</i>	23
<i>Literature (max. 20 points)</i>	20
<i>Manuscript Form (max. 20 points)</i>	20
<b>TOTAL POINTS (max. 100 points)</b>	<b>83</b>
<b>GRADE (A – B – C – D – E – F)</b>	<b>B</b>

**NAME OF THE REFEREE:** *František Čech*

**DATE OF EVALUATION:** 14.8.2019

---

**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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
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.*

<i>Strong</i>	<i>Average</i>	<i>Weak</i>
20	10	0

**Overall grading:**

TOTAL	GRADE
91 – 100	<b>A</b>
81 - 90	<b>B</b>
71 - 80	<b>C</b>
61 – 70	<b>D</b>
51 – 60	<b>E</b>
0 – 50	<b>F</b>