

Report on Bachelor / Master Thesis

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

Student:	Martin Řanda
Advisor:	Mgr. Petr Polák, MSc., Ph.D.
Title of the thesis:	Evaluating the predictability of virtual exchange rates using daily data

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

Please provide a short summary of the thesis, your assessment of each of the four key categories, and an overall evaluation and suggested questions for the discussion. The minimum length of the report is 300 words.

Short summary

In his thesis, Martin Řanda focuses on exchange rate of a virtual economy in a popular multiplayer game (Old School RuneScape). Empirical analysis includes several models which are estimated and their forecasting performance is evaluated. The work itself is very rigorous and each step is explained and described in a great detail.

Contribution

The thesis follows previous works on virtual economies from different games and to our knowledge this is a first analysis of this kind using data from Old School RuneScape. But mainly, this thesis examines the influence of standard economic variables on exchange rate fluctuation, which makes it similar to the standard exchange rate movement analysis.

Methods

Martin employs VAR methodology for the analysis accompanied not only by the description of the dataset but also with statistical and performance tests. The methodology is suitable for such analysis.

Literature

The literature covered by the thesis contains all relevant pieces from the existing literature and uses the previous works to build expectations and compare results of the empirical analysis. Academic sources are used along with other available literature. The author works with the sources properly and with care.

Manuscript form

The thesis is well structured and formatted. Martin uses a standardized Latex template and the thesis has also extensive Appendix sections with more details. All figures and tables are formatted in the same fashion to support the visual appearance. Martin uses a very specific way of writing, but I find that actually very pleasant to read.

Overall evaluation and suggested questions for the discussion during the defense

Martin worked on the thesis very independently and I was glad that he had enough time to reread the text multiple times and incorporate all my comments – there very minor and were related to the formatting/expressions only. I was also very happy about the depth of the analysis provided – given the limited data, the work is perfect. From the attitude and approach along with the analysis, I would say that this is work of a very high quality, hence I awarded the thesis by the maximum available points.

I have no further questions regarding the content of the thesis. For the defense, I would suggest that Martin elaborates on his expectations about the results that he had prior to the empirical investigation of the dataset.

The results of the Urkund analysis do not indicate significant text similarity with other available sources.

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In my view, the thesis fulfills the requirements for a bachelor thesis at IES, Faculty of Social Sciences, Charles University, I recommend it for the defense and suggest a grade A.

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

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

NAME OF THE REFEREE: Petr Polák

DATE OF EVALUATION: 23. 5. 2021

Digitally signed (23. 5. 2021)
Petr Polák

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.*

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.*

LITERATURE REVIEW: *The thesis demonstrates author's full understanding and command of recent literature. The author quotes relevant literature in a proper way.*

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.*

Overall grading:

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