

Institut ekonomických studií

Fakulta sociálních věd, Universita Karlova Praha

Referee report on the Bachelor/Master Thesis submitted to State Exam

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| Student Name: | Marek Rusnák |
| Thesis Supervisor Name: | Roman Horváth, M.A. |
| Thesis Title: | The Nature and Importance of Foreign Shocks in Slovak Economy: A Block Exogeneity VAR Analysis |

Overall Evaluation:

Marek presents highly innovative and original analysis of the role of euro area shocks for the development of Slovak economy. For this reason, he employs a block restriction vector autoregression model. In consequence, this means that euro area block can affect the Slovak block, but not vice versa (i.e. it is assumed that Slovak economy has no role for the euro area developments, this is quite important for the degrees of freedom considerations). The results are quite intuitive and indicate that spectacular Slovak economic growth is driven primarily by domestic factors, while Slovak inflation is largely influenced by the euro area developments.

I must admit that this is probably the best BA thesis at our institute I have ever read. It is well-written and the author is quite clear in his arguments. It reads almost as a journal article. The level of econometric exercise is well above the standards for the BA theses at our institute. Therefore, I strongly recommend the thesis for the defense and suggest grade A. I also suggest a distinction from the Dean of the Faculty of Social Sciences for an extraordinarily good masters diploma thesis.

SUMMARY OF POINTS AWARDED (for the explanation of categories and scale, please, see below):

| CATEGORY | POINTS |
|----------------------------|---------------|
| Quality of Research | 30 |
| Clarity and Readability | 10 |
| Content/Quality of Ideas | 40 |
| Organization & Development | 15 |
| Manuscript Form | 5 |
| TOTAL POINTS | 100 |
| LETTER GRADE | A |

Evaluated on: June 9, 2008