

Report on Bachelor / Master Thesis

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

Student:	Bc. Karolína Dlasková
Advisor:	Mgr. Milan Ščasný, Ph.D.
Title of the thesis:	Comparison of coherent demand systems: //The case of meat demand in the Czech Republic

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

The thesis concerns estimating elasticities of demand for meat using various econometric models. The analysis is performed on the Czech Household budget survey, and the author is comparing three of the leading demand-system models – Linear Expenditure System, Translog model and Quadratic Almost ideal demand system.

The thesis contains an extensive literature research part, which is definitely above the theses average – the author mentions many relevant studies, ranging from the fathers-founders of the topic to the most up-to-date Czech studies focusing on the subject.

The selection of models is logic as the three main models represent a tool of choice for the most demand-analysis researchers. As I've also undergone the hard journey of analyzing a demand system using Household Budget survey in the past, and therefore I need to appreciate the amount of work, the author had to spend on data preparation and the hard time she needed to have while working out the models. I was, however, less content with the results presented in the thesis.

First, I think the author could give more thought to the nature of the data used. The fact that data is aggregated per household brings a significant number of consequences that need to be accounted for. The size of the household (as well as changes in that size) can have almost proportional impact on the household's consumption (the effect being far more stronger than that of price). The age of the household's children should also be taken into account, as their consumption of meat grows dramatically in the first couple of years of age. Although it does not make the data inappropriate, it is definitely worth mentioning in the thesis.

My biggest objection, however concerns the presentation of the model results. Apart from a few (ocasionally false) statements on the significance of individual variables in the models, there is nowhere to find whether the estimated coefficients for elasticities are statistically different from zero! The author should not be afraid to tell that some of the results turned out to be insignificant. Instead, the author averages the results (however diverse) of the three models, which results to something which does not have any meaningful economic or econometric interpretation.

Although I acknowledge that comparing the results of the three models is an original contribution of the thesis, I was disappointed that the author didn't go deeper in the interpretation of the results. What makes BTL results so volatile? Why does QUAIDS usually predict the most extreme results? These are the questions the reader would like to see rather than that he can „see a jump in 2011“.

Concerning the manuscript form, the thesis is well structured and quite „readable“ for the audience, I would just strongly recommend a thorough proof-reading before submission. The list of grammatical errors is quite extensive. The graphics of the tables could also be more elaborated, I'd especially advise on considering some standard approach to the number of decimal places.

Overall, I could recommend the thesis to be defended. In case of a successful defence, I recommend grade „**velmi dobře**“ (good)

Language or text specific comments:

S11 and S12: the results shows

S12: f, g and α are homogeneous functions – but of what?

S17: divided into groups

S18: meat are the price (word order)

S19: Table 2.2 seems to be cut

S21: Other no income variables – what is the definition of that? (non-income?)

S27: They spends

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Sh 28: Impact of presence of women in the household – too strong statement given how vaguely it is described. What about the causality? Isn't it that a single male household may be without woman because of the other factors (low education, eating too much etc?)

S28: economically-mathematical – not with „ally“ suffix

S28: was the real quarterly... („was“ on a wrong place)

S28: She also compares

S29: She uses

S29: influences

S29: meat demand was the household („was“ on a wrong place)

S29: Positive own price elasticity of 0,131 means Giffen good – are you not anyway surprised by that?

S29: income elasticities were declining

S29: meta analyses

S29: these studies were tested on diverse...

S32: Table 3.1 describes the effect of various factors. But the definition of the dependent variable seems to be missing

S39: Household consumes S39: how many zeros are there among observations

S39: values clearly shows

S40: pork was ~~in~~ 838kg

S41: expenditures in times

S41: average

S41: expenditures in times

S41: Unify number of decimals in tables. If the number exceeds 10000, I don't thing decimals are necessary at all.

S42: why was the year 2005 chosen as a baseline while it is not in the data sample?

S42: which part of the household consumption did you take into account? Only home-based or that in restaurants as well?

S44: Income is distributed... ...what is the definition of income here? The value of 11 205 does not correspond to any expectations of mine...

S46: The results were not always significant for the types of meat with low number of zero observatinos – this statement is really suspicious and definitely would need an explanation.

S47: education buys, ...buying ~~the~~ meat, ...or their influence, ...that differs, the effects, ...highschool have negative

S49: Translog shows

S49, S51: the jumps are quite significant and deserve a little more explanation/analysis

S53: The highest number of parametrs has QUAIDS (word order)

S53: therefore

S54: Table 6.3. misaligned

S56: they grows, ...deviations ~~has~~

S57: the highest values gives LES... (word order)

S57, S60: What is the point in averaging the resulting elasticities? What is the economic interpretation of such an average?

S58: Quaid's gives

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S59: Poultry gives

S60: results ~~does~~

S61: thanks - „due to“ is better for negative phrases

S63: demand with respect to its own price is inelastic – the table 6.10 does not seem to support this statement very much.

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	17
Contribution (max. 30 points)	13
Manuscript Form (max. 20 points)	14
TOTAL POINTS (max. 100 points)	64
GRADE (1 – 2 – 3 – 4)	2

NAME OF THE REFEREE: PhDr. Jakub Mikolášek

DATE OF EVALUATION: 1.2.2017

Referee Signature

EXPLANATION OF CATEGORIES AND SCALE:

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

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

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

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 POINTS	GRADE		
81 – 100	1	= excellent	= výborně
61 – 80	2	= good	= velmi dobře
41 – 60	3	= satisfactory	= dobře
0 – 40	4	= fail	= nedoporučuji k obhajobě