

Report on Bachelor / Master Thesis

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

Student:	Bc. Radek Janhuba
Advisor:	Doc. Roman Horváth
Title of the thesis:	Volatility Spillovers in New Member States: A Bayesian Model

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

This thesis employs various Bayesian vector autoregression models, including the time-varying Bayesian vector autoregression model to study the inter-linkages among stock markets in Central Europe.

Radek has written very ambitious thesis. To the best of my knowledge, there are no studies examining the stock markets using time-varying Bayesian vector autoregression model. Therefore, there is a clear value added. Bayesian econometrics is not simple to learn (and not simple to apply, a good knowledge of Matlab or R is required) and Radek has mastered many, many difficult issues when writing this thesis. Definitely, Radek has chosen a difficult topic and has shown ability to undertake independently a large empirical project. I think he has done a great investment, which he will be able to utilize during his doctoral studies.

The thesis is not only great from the econometric or technical perspective. There is a nice economic story, too. The results Radek presents question some commonly held views that investors do not differentiate among Central European currency markets. To the contrary, the Czech currency market is viewed as unique and according to his results, the investors understand that Czech Republic typically exhibits better fundamentals than, say, Hungary.

All in all, there is a clear value added and I suggest the grade A and recommend nominating Radek for the distinction from the Dean of the Faculty of Social Sciences for an extraordinarily good MA thesis.

Report on Bachelor / Master Thesis

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

Student:	Bc. Radek Janhuba
Advisor:	Doc. Roman Horváth
Title of the thesis:	Volatility Spillovers in New Member States: A Bayesian Model

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	30
<i>Contribution</i> (max. 30 points)	29
<i>Manuscript Form</i> (max. 20 points)	16
TOTAL POINTS (max. 100 points)	93
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *R. Horvath*

DATE OF EVALUATION: *May 28, 2012*

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