

Report on Bachelor Thesis

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

Student:	Jan Málek
Advisor:	MRes PhDr. Jan Zapal
Title of the thesis:	Sklony fiskální politiky k pro-cykličnosti

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

Bachelor thesis of Jan Málek looks at the cyclicity of fiscal policy as one of the key characteristics. Its stance is characterized as either pro-cyclical or anti-cyclical with the neutral stance in between being a-cyclical.

The thesis is split into the two main chapters. The first one, mainly theoretical, looks at the possible ways to measure fiscal policy stance using macroeconomic aggregates and their correlation with GDP and surveys existing empirical literature measuring cyclicity of fiscal policy in developing and developed countries. The final part of the first chapter looks at the possible theoretical explanations of the pro-cyclicity of fiscal policy found in many of the empirical studies.

Second chapter can be considered as the key contributing chapter of the thesis. Its focus is mainly empirical, it measures stance of fiscal policy in the Czech Republic and list of other European countries. The two variables used are change in primary balance as a percentage of GDP, as a proxy for discretionary fiscal policy, and GDP gap. The chapter shows that in the recent two decades half of the time fiscal policy in the Czech Republic has been pro-cyclical which places Czech Republic approximately in the middle of the European countries included in the study.

Bachelor thesis of Jan Málek is an example of very good bachelor thesis. It deals with important economic topic, shows familiarity with the existing literature, uses appropriate methodology to conduct its own investigation and draws sensible conclusions based on the results found. Besides substantive content the thesis shows signs of careful final editing and proofreading and is written in a language that is nice to read.

For all those reasons I believe bachelor thesis of Jan Málek deserves best of possible marks.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	27
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	88
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *Jan Zapal*

DATE OF EVALUATION: *26.8.2011*

Referee Signature