

Report on Bachelor / Master Thesis

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

Student:	Daniel Vach
Advisor:	Petr Janský, M.Sc.
Title of the thesis:	Measuring living standards with income and expenditures in the Czech Republic: how much does treatment of housing costs matter?

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

The aim of this thesis was to analyse the differences in living standards when using income and expenditures and treating housing costs in the Czech Republic. Daniel Vach fulfilled this objective in an excellent way.

Overall, the manuscript is clean, the literature is discussed and referenced in an adequate way and the empirical analysis – apart from answering important questions – is at a technical level appropriate for an outstanding undergraduate student of economics.

The biggest contribution is in imputing rent from housing and treating housing costs in different ways and comparing the estimates across different expenditure and income concepts.

In terms of potential policy contribution, I consider this thesis to be one of the most relevant bachelor theses that I have seen at the IES. Specifically, Daniel provides the first estimates of consumption flow from housing and shows that these results are important by applying them to assess inequality in the Czech Republic.

An important extension of this type of work for the Czech Republic might lie in estimating the flow from public services (such as health or education) that are often – similarly to housing – not included in the standard distributional analysis. Also his partial analysis of rent deregulation is insightful and might provide a fruitful area for further research (I wonder whether he has already in mind what steps he should take in order to answer some of these deregulation-related research questions).

Daniel Vach did an excellent job of writing a thesis. Therefore I recommend an overall grade of **excellent (výborně, 1)** and I recommend this thesis for the **Dean's distinction**.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	19
<i>Methods</i> (max. 30 points)	29
<i>Contribution</i> (max. 30 points)	29
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	97
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Petr Janský, M.Sc.

DATE OF EVALUATION: 17th August, 2013



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