

Report on Bachelor / Master Thesis

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

Student:	Bc. Monika Zsigraiova
Advisor:	PhDr. Jakub Seidler, Ph.D.
Title of the thesis:	Probability of default modelling using macroeconomic factors

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

Content:

The diploma thesis presented by Monika Zsigraiova compares probability of defaults of non-financial corporations and households in Czech Republic. Macroeconomic variables are used for determination of PDs. In the empirical part of the thesis, author evaluates impact of recent financial crises on PDs using latent factor model and FAVAR model. Based on performance comparison of those models, it is concluded that latent factor model is more appropriate for measuring of PDs for the particular data set.

In the theoretical part, author has shown the ability to work with recent and relevant literature. The structure of the thesis is logical.

Conclusion:

The presented diploma thesis satisfies the IES qualitative requirements. Author is able to calibrate an econometrical model for measurement of PDs and she is able to use relevant econometrical methods for working with data sets. The diploma thesis provides a valuable insight into measurement of PDs using macroeconomic factors. The thesis is outstanding from the manuscript point of view.

I recommend the diploma thesis for the defense and I propose to grade it as „**excellent (1)**“.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	19
<i>Methods</i> (max. 30 points)	28
<i>Contribution</i> (max. 30 points)	26
<i>Manuscript Form</i> (max. 20 points)	20
TOTAL POINTS (max. 100 points)	93
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE:

DATE OF EVALUATION:

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