

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Yu Zang</b>
<b>Advisor:</b>	<b>prof. Ing. Oldřich Dědek, CSc.</b>
<b>Title of the thesis:</b>	<b>Determinants of International Tourists Inflows: The case of China</b>

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

The content of the thesis follows a standard logic of the econometric approach. An explanatory variable is selected, which is here revenue for the Chinese balance of payments from tourism. Then explaining variables are identified and briefly discussed (GDP per capita, exchange rates, population, PPP conversion factor and distance from China) with reference to the literature overview and the opinion of the author. Subsequently econometric tests are run with the aim to obtain quantitative importance of the selected factors and infer some policy conclusions. The final form, with which this routine method was seized and processed, can now be exposed both to positive and critical remarks. Unfortunately the critical ones tend to prevail.

On the positive side, it is possible to highlight the introductory chapter, which gives an interesting overview of the literature devoted to the chosen topic. Attention has been focused especially on the experience from the developing world, which is relevant from the point of view of the research topic. One can also appreciate the fact that the chosen topic is relevant for the author's home country. The thesis represents one of the first attempts to process this staff for the Chinese economy. The demonstrated skills in applying econometric techniques are also satisfactory.

There are also some aspects that raise considerable question marks. This applies to the core of the thesis in its attempt to apply the well-known gravity model. The basic problem can be seen in an effort to combine in a single regression equation variables, which are time-variant and therefore can reveal some correlation with the explanatory variable, with geographical distance, for which the estimation of correlation in time does not make sense (under reasonable assumption that national borders remain fixed for most of the time. The author is aware of this problem. But he solves it in somewhat curious way. He introduces, without reference to any literature, a kind of weighted geographical distance, which is the geographical distance weighted by GDP shares on the total GDP across the sample of countries. Any deeper economic explanation of this step, which can be quite difficult to reconcile it with the logic of the gravity model, is missing. It seems that this procedure highly devalues the original intention, which is to demonstrate the importance of geographic distance for Chinese revenues from tourism. It also creates certain duplicity, given the fact that GDP per capita is also among the explaining variables.

Another weak point of the thesis is relatively low-quality English, which sometimes makes it difficult to comprehend the text. However, this is rather a supportive argument with regard to the nationality of the author.

Overall, the work meets the specified requirements and may be admitted to the defence. After taking all pros and cons into account as well as conscientious approach of the author the grade 3 + is suggested.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	10
<i>Contribution</i> (max. 30 points)	15
<i>Manuscript Form</i> (max. 20 points)	10
<b>TOTAL POINTS</b> (max. 100 points)	<b>55</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>3+</b>

**NAME OF THE REFEREE:** Prof. Oldřich Dědek

**DATE OF EVALUATION:** 8 September 2014

*Oldřich Dědek v.r.*

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**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	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě