

Report on Bachelor / Master Thesis

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

Student:	Kateryna Kireichenko
Advisor:	PhDr. Martina Jašová
Title of the thesis:	Investigation of the dynamics between monetary and macroprudential policies

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

The diploma thesis focuses on a highly relevant topic of the interaction between monetary and macro-prudential policy. The recent economic development clearly demonstrates that the traditional price stability objective of central banks needs to be complemented by a broader financial stability target. Hence, it is important to study the interaction between monetary and macro-prudential policy to provide a theoretical background for policy makers.

The thesis is dealing specifically with governmental and financial shocks using a DSGE modelling framework. The author uses the existing literature to cope with the challenging topic. Furthermore, she extended the employed model to include government as well as financial shocks to assess different policy combinations and modelling situation resembling the Eurozone debt crisis. Countercyclical capital requirements as a macro-prudential instrument and a Taylor rule to model monetary policy were used in the study.

The thesis is well written, technically very advanced, properly formulating research hypotheses and discussing achieved results, employing the relevant literature and contributing to the current academic and policy discussion. Author clearly demonstrates the ability to combine different theoretical frameworks and to connect the relevant theory with up-to-date policy discussions as well as to cope with the highly advanced topic of DSGE modelling.

Within the defence discussion, I would suggest to reflect on the utilization of the results in the context of different macro-prudential policies. Furthermore, the role of DSGE models to design and calibrate macro-prudential policy could be discussed in the context of market frictions and deviation from equilibrium for a long period of time. Finally, the author could elaborate further on the limitations of this approach and potential alternatives for the purpose of financial stability.

In my view, the thesis is of a high quality with a clear author's contribution. Hence, I propose to assess it by grade "1 - Excellent".

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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)	28
<i>Manuscript Form</i> (max. 20 points)	19
TOTAL POINTS (max. 100 points)	94
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE:

doc. PhDr. Ing. et. Ing. Petr Jakubík, Ph.D., Ph.D.

DATE OF EVALUATION: 19.6.2016

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