

Report on Bachelor / Master Thesis

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

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

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

This master thesis presents a dynamic stochastic general equilibrium (DSGE) model featuring a banking sector to assess the interaction between macroprudential policy and monetary policy. The topic as well as the method applied currently belong to the frontier of academic research.

Macroprudential policy, standalone, attracts numerous research attention. Its interaction with the monetary policy is moreover one of the most relevant research and policy questions. In the thesis, Kateryna explores the interaction between the two policy regimes with a special focus on government and financial shocks. Both shocks are well motivated with stylized facts and literature. The government shock is an innovation to the existing work. Here, Kateryna further motivates her research interest with the Eurozone sovereign debt crisis.

In terms of the methods applied, Kateryna managed to get familiar with an intellectually demanding field of DSGE models with a banking sector with relative ease and coded her model using Dynare in line with the existing literature (Gerali et al. (2001); Angelini et al. (2012)). Importantly, she also extended the model further to include a government shock versus financial shock, and modeled different policy combinations under these scenarios. Kateryna demonstrated strong quantitative skills and mastered the Dynare tools that are highly relevant for economic research.

The cooperation with Kateryna from my advisor's point of view was very good. Kateryna worked hard on the master's thesis research for almost two years and consulted her progress on a regular basis. The thesis is well structured and it properly fits into the existing literature. Presented hypotheses, theoretical model, calibration and the discussion of the results are all clearly stated and elaborated.

For the defence, I would suggest Kateryna to focus on:

- The discussion of the macroprudential rule chosen and possible implications of different specifications of the rule (e.g. by replacing the GDP with the credit growth).
- summary and discussion of the welfare analysis and its comparison to the existing literature.

Overall, I can recommend the thesis of Kateryna Kireichenko to the defence at the IES FSV UK and I am pleased to suggest the grade "1". i.e. "excellent".

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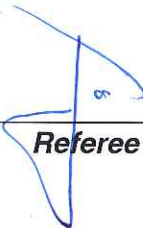
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SUMMARY OF POINTS AWARDED (for details, see below):

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	19
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	25
<i>Manuscript Form</i> (max. 20 points)	15
TOTAL POINTS (max. 100 points)	84
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: *Martina Jašová*

DATE OF EVALUATION: 14.6.2016



Referee Signature