

Report on Bachelor / Master Thesis

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

Student:	Lukáš Petrásek
Advisor:	Prof. Roman Horváth, M.A., Ph.D.
Title of the thesis:	The Effectiveness of the Federal Reserve's Monetary Policy under the Zero Lower Bound

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

The presented thesis deals with the burning topic of how low interest rates affect central banks' ability to conduct monetary policy; zero lower bound constraint. Lukáš approaches the problem from the US perspective; analyzing the Fed.

The thesis is logically organized and introduces the topic nicely. Initially, Lukáš reviews kinds of monetary policy tools. The reviewer, not focus on central banking too much, enjoyed reading this part. This part concludes the author's hypothesis that ZLB constraint reduces effectiveness of monetary policy.

Lukáš proceeds to introduce his empirical study, review of variables and selection of the econometric model to be used. The following chapters describe the data and estimates the model.

I found the econometric part very nice and diligent. As a suggestion, I would welcome more descriptive statistics and plots of the regressors. Furthermore, to improve the study, Lukáš could conduct several various hypothesis tests: specifically, joint significant of variables and joint one-sided hypothesis to test for the constrains on parameters. I believe this would improve the insight.

In general, the thesis is very well written, the topic logically follows and the author did pay attention to the overall text organization. Hence, I do not hesitate to award grade 1 – excellent.

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	18
<i>Methods</i> (max. 30 points)	27
<i>Contribution</i> (max. 30 points)	26
<i>Manuscript Form</i> (max. 20 points)	18
TOTAL POINTS (max. 100 points)	89
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: PhDr. Boril Šopov, MSc., LL.M.

DATE OF EVALUATION: 9th September 2017



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