

Master
Report on Bachelor Thesis

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

Student:	Gorkem Yazicioglu
Advisor:	Doc. Ing. Oldřich Dědek, CSc.
Title of the thesis:	An Analysis on US Subprime Mortgage Crisis – Expansion and the Burst of Bubble

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

The aim of this thesis is the analysis of the Subprime Mortgage bubble in the US – both its expansion and its burst in 2007. The author uses econometric analysis to test – among other things - if some generally accepted characteristics tied with bubbles were observable with this specific bubble.

After a short introduction, the author describes the development of the Subprime Mortgage bubble (Chapter 2), then presents an overview of the literature on bubbles (Chapter 3), then makes some interesting econometric exercises on detecting bubbles (Chapter 4) and on the burst of bubbles (Chapter 5). I find highly interesting the simulations in Chapter 6, that allow to get qualitative understanding of bubbles. Conclusions in the last chapter are absolutely adequate to the results obtained before.

The thesis is well structured. The author applies both economic theory and econometrics in such a way that it clearly demonstrates his critical thinking and ability to draw conclusions. There is a distinct value added of the thesis.

I recommend this thesis for the final discussion and I suggest evaluating it with an A.

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

CATEGORY	POINTS
Literature (max. 20 points)	20
Methods (max. 30 points)	30
Contribution (max. 30 points)	30
Manuscript Form (max. 20 points)	20
TOTAL POINTS (max. 100 points)	100
GRADE (1 – 2 – 3 – 4)	1

NAME OF THE REFEREE: Tomáš Cahlík

DATE OF EVALUATION: June 7, 2010

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