

Report on Bachelor / Master Thesis

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

Student:	Michal Lebovič
Advisor:	MRes. PhDr. Jan Zápál
Title of the thesis:	Efficiency of public spending

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

The bachelor thesis „Efficiency of public spending“ is mainly a well-written review of contemporary methods and theory dealing with an issue of public spending and potential measurements of its efficiency. The thesis consists of four chapters, an introduction and a conclusion with a total volume of 49 pages.

The core of the thesis lies in quite a broad review of literature dealing with public spendings. Chapters are logically ordered starting with basic definitions of efficiency and productivity, following with the basics of public sector and spendings and then goes back to the measures of efficiency. Even though the chapters are well organized, I somehow miss a deeper interconnection between chapter „Overview of approaches to efficiency measurements“ and the rest of the text. There are two main approaches discussed but these are not (or only weakly) connected to the issue of public spendings. This chapter is also problematic in the fact that Figures 4.1 – 4.5 are not attached to any source (if these are of the author’s making, which is unlikely due to visible graphical issues, it should be noted).

The most problematic is the fact that the thesis does not bring any new insights into the theory or application and is rather a review of literature. As there are several models showed in the thesis, these could be further discussed and some new ideas could have been presented.

Suggested questions for the defense:

- „How can the methods you presented in the thesis be enhanced?“
- „On pages 37-39, how are the coefficients estimated? Aren’t the estimates biased since the residuals are separated into „standard“ part and „restricted“ part which makes the mean of residuals not equal to zero?“

In the case of successful defense, I recommend “**velmi dobře**” (good, 2).

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

CATEGORY	POINTS
<i>Literature</i> (max. 20 points)	20
<i>Methods</i> (max. 30 points)	25
<i>Contribution</i> (max. 30 points)	15
<i>Manuscript Form</i> (max. 20 points)	15
TOTAL POINTS (max. 100 points)	75
GRADE (1 – 2 – 3 – 4)	2

NAME OF THE REFEREE: *PhDr. Ladislav Křišťoufek*

DATE OF EVALUATION: 7.6.2010

Referee Signature