

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Jana Cahlíková</b>
<b>Advisor:</b>	<b>MRes PhDr. Jan Zápal</b>
<b>Title of the thesis:</b>	<b>Consumption over the Life Cycle: Evidence from the Czech Republic</b>

## **OVERALL ASSESSMENT:**

Master thesis of Jana Cahlíková deals with household consumption over the lifecycle. The thesis starts with a general introduction of the topic (chapter 1) and survey of relevant literature (chapter 2). Chapter 3 discusses extensively article on which most of the thesis builds [Gourinchas & Parker, Consumption Over the Life Cycle, Econometrica 70, 47-89] and methodology it uses. Chapter 4 then describes data used in the subsequent analysis. Those data come from Household Budget Survey conducted by Czech Statistical Office. What has to be highlighted here is that those data are relatively hard to obtain but highly relevant for the empirical questions asked. Hence author of the thesis has to be credited for going into great difficulties in obtaining those data.

Chapters 5 and 6 can be regarded as the key contributions of the thesis. Chapter 5 constructs lifetime consumption and income profiles, which to my knowledge is the first empirical exercise of the type using Czech data. On the face of it this might seem trivial. However, from the economic perspectives and in order to judge different consumption theories those consumption and income profiles need to be adjusted for several household (because the available data are for whole households) characteristics. The consumption and income profiles are thus adjusted for the changing household size over the life cycle, for the cohort effects, for the year-of-the-survey effects and for whether the household is retired or not. Furthermore, consumption and income profiles for several occupational and educational groups are presented. Finally chapter 5 also includes series of extended robustness checks giving credibility to the conclusions presented.

Chapter 6 then uses standard econometric techniques to estimate determinants of household consumption and tries to shed a light on validity of different consumption theories based on Czech data. Despite the fact that the econometric techniques used are rather standard, author shows good command of them and is informed about its limitations.

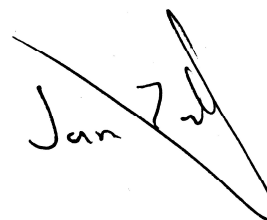
**For all the reasons mentioned above master thesis of Jana Cahlíková deserves the highest possible grade (výborně) and in my opinion should be considered, upon successful defence, for a Dean's outstanding master thesis award.**

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

<b>CATEGORY</b>	<b>POINTS</b>
Literature (max. 20 points)	19
Methods (max. 30 points)	28
Contribution (max. 30 points)	30
Manuscript Form (max. 20 points)	16
<b>TOTAL POINTS</b> (max. 100 points)	<b>93</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:** Jan Zápál

**DATE OF EVALUATION:** 2.6.2010



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**Referee Signature**