

# Report on Bachelor / Master Thesis

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

<b>Student:</b>	<b>Bc. Edita Ďurovčiková</b>
<b>Advisor:</b>	<b>Doc. Tomáš Havránek, Ph.D.</b>
<b>Title of the thesis:</b>	<b>Estimating Tax Revenue Elasticities in Slovakia</b>

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

### **Contribution**

Edita Ďurovčiková wrote an excellent, policy-relevant thesis on the estimation of the tax revenue elasticities for Slovakia – an empirical exercise never carried out for Slovakia before (at least not with as good method as the author is applying in her thesis). The practical contribution of the thesis is thus very good and I wish the author the best of luck when helping to implement her findings into the workhorse policy models in cooperation with Slovak policymakers and government authorities, if she does have such plans(?).

At various points in her thesis, the author shows a firm and commendable grasp of the topic (estimating tax revenue elasticities). It is probably useful to add that the author states in her thesis (on page 12) that the principal source for the thesis is a paper by her advisor and co-authors (with similar research questions answered for the Czech Republic). The thesis is a standalone piece of applied research, which should be of interest especially to economists focusing on Slovak economy.

### **Methods**

The author applies the state-of-the-art methodological approach to the most suitable dataset she managed to acquire. I am happy to see the wide range of results, long-run as well as short-run elasticities, econometric tests and robustness checks. The author seems to be aware of most of the limitations of her empirical approach (such as short period of data available), although I would be interested to hear more about what implications some of the limitations might have for her results and their interpretation. The author does a very good job of synthesising and interpreting her results. For example, the chapter 6.6 is very useful and I appreciate the author is comparing her results with similar estimates from other countries (such as when stating on page 44 that “However, we are not the only one who obtained a higher short-run elasticity than the corresponding long-run elasticity.”, although I do return to this specific issue in the suggested questions below).

### **Literature**

The literature review seems to contain most of the relevant literature, but lists the references and summarises their findings rather than critically evaluating (and synthesising them only at final page 16). The second chapter (The Slovak Tax System) is a bit too descriptive and should be less general and more focused on the main topic of the thesis (for example, what are some of the Slovak tax system’s characteristics that have implications for expected estimates of tax revenue elasticities?). A rather minor technical note – I suppose that if an author is building on one specific source in a literature review paragraph (such as at pages 5 or 42 in the case of this thesis), she should cite the source earlier than only at the end of the paragraph.

### **Manuscript form**

The thesis is very well written and neatly presented. The author’s writing is quite concise with a good use of English. The presentation of the results is standard.

### **Suggested questions for the committee**

“On pages 44 and 45, you provide an explanation of the high estimated value of the short-run value added tax revenue elasticity. If you stand by your “euphoric” explanation, could you propose an empirical test of this explanation?”

# Report on Bachelor / Master Thesis

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

Student:	Bc. Edita Ďurovčiková
Advisor:	Doc. Tomáš Havránek, Ph.D.
Title of the thesis:	Estimating Tax Revenue Elasticities in Slovakia


Overall, I find the thesis a very good piece of empirical research and I believe that the thesis will be of interest to policymakers and researchers, especially in Slovakia. A shortened version of the thesis seems to be suitable for publishing in a regional academic journal such as Eastern European Economics.

Overall, Edita Ďurovčiková did a great job of writing a thesis and I recommend a grade of **excellent (výborně)**.

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

CATEGORY	POINTS
Contribution (max. 30 points)	25
Methods (max. 30 points)	28
Literature (max. 20 points)	17
Manuscript Form (max. 20 points)	20
<b>TOTAL POINTS</b> (max. 100 points)	<b>90</b>
<b>GRADE</b> (1 – 2 – 3 – 4)	<b>1</b>

**NAME OF THE REFEREE:** Petr Janský, Ph.D.



**Referee Signature**

**DATE OF EVALUATION:** 14<sup>th</sup> June, 2017

**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	<b>1</b>	= excellent	= výborně
61 – 80	<b>2</b>	= good	= velmi dobře
41 – 60	<b>3</b>	= satisfactory	= dobře
0 – 40	<b>4</b>	= fail	= nedoporučuji k obhajobě