

REVIEW OF THE BACHELOR'S THESIS SUPERVISOR

Student's name: Hanna Yarova

Thesis title: The sensitivity analysis of the change in oil price on Norwegian government

budget in years 2005-2015

Name of the thesis supervisor: Ing. Štěpán Pekárek

| | 1 | 2 | 3 | 4 |
|--|-------------------------------------|--------------------------|--------------------------|--------------------------|
| Assessment of the topic (irrespectively of the student): | | | | |
| 1.1 To what extent is the topic current and significant? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.2 How challenging is the topic in respect of theoretical knowledge? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.3 How challenging is it in respect of practical experience or fieldwork? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 1.4 How difficult is it to get background materials? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Slovní hodnocení (několik vět), zejména:

Subsection 1.1: Topic is both current and significant. In the time of raised volatility of oil prices governments of economies with high exposure to oil production and processing use various strategies to tackle the issue. Norway is often used as an example of a country, which overcame the resource curse and uses the income generated from oil industry sustainably. The analysis of the mechanism used and its sensitivity to change in oil price can contribute to wider debate of sustainability of government finance of other oil-dependent economies.

Subsection 1.2 and 1.3 The complexity of both theoretical and practical content is adequate for the bachelor level of thesis.

Subsection 1.4: Ms. Yarova has used European-level as well as domestic sources, which required additional work especially in disentangling the structure of GPFG and other channels through which the government budget is effected.

Other (as appropriate):

2. Evaluation of the thesis structure and logical cohesion:

| | | | | |
|---|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| 2.1 To what extent is the thesis structure logical and transparent? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.2 To what extent does the author use current/ suitable sources? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.3 How properly did the author select methods in respect of the topic? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.4 How sufficiently and functionally did the author use in the thesis original charts, tables, data, annexes, etc.? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2.5 What is the compatibility level for the thesis basic line elements: topic – thesis assignment – objective – structure - conclusions? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Verbal assessment (several sentences), in particular:

Subsection 2.3. Based on the previous academic research Ms. Yarova identified key channels, through which the income from oil production and processing enters into the government budget. Subsequently selected the relevant proxies for each of the channels and used comparative time-series analysis to measure their significance.

Subsection 2.5. The structure of the thesis and its conclusions correspond to the approved assignment.

Others (as appropriate):

3. Assessment of the thesis text quality:

- | | | | | |
|---|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| 3.1 How well – in terms of depth and quality – did the author analyse the topic? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.2 Did the author formulate the thesis objective clearly and with logical structure? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.3 Did the author fulfil the defined thesis objective and approved assignment of the thesis that contains the objective? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.4 How well – in terms of depth and quality – did the author cover the theoretical part of the thesis? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.5 How well – in terms of depth and quality – did the author cover the practical/ analytical part of the thesis? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3.6 To what extent are the thesis conclusions logically structured and show quality, and what is their added value? | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Verbal assessment (several sentences), in particular:

Subsection 3.4 Theoretical part introduces relevant macroeconomic indicators consequently used in the practical part. Furthermore the general view of the state of Norwegian economy with a focus on oil industry is presented.

Subsection 3.5 In the practical part Ms. Yarova identifies six main income channels to Norwegian government budget and uses proxy indicators to demonstrate their effect. Results of her analysis broadly correspond to general view of the GPFG as a stabilizing income channel and illustrate its balancing role of spreading the oil-related revenue in time.

Others (as appropriate):

4. Assessment of the thesis form and style:

- | | | | | |
|--|-------------------------------------|-------------------------------------|--------------------------|--------------------------|
| 4.1 What is the formal layout of the thesis? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.2 What is the quality of citations and references? Are sources identifiable? | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4.3 What is the stylistic level of the thesis, particularly the use of correct economic terminology? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Verbal assessment (several sentences), in particular:

Subsection 4.1 The formal layout of the thesis corresponds to the Methodology of the Faculty of Economics. Ms. Yarova also includes chapter (6. Discussion), in which she presents her findings in broader context, that contributes to the overall added value of thesis.

Others (as appropriate):

Instruction for the review: Author of the review must provide verbal assessment for the specified subsections, which are pivotal for the thesis assessment, particularly for the defense; therefore the assessment must have reasonable explanatory power.

Note: Classification method: 1=exceptional, 2=very good, 3=good, 4=failed

5. Overall assessment *(It is necessary to state, whether the thesis meets the requirements of the Methodology of the Faculty of Economics in terms of the quality of contents, scope and formal requirements, whether the thesis is/ is not recommended for defense. It may also be nominated for a special award, etc):*

Based on the aforementioned verbal assessment I conclude that, the thesis meets the requirements of the Methodology of the Faculty of Economics. I can recommend the reviewed thesis for the defense. In the case that the questions of both reviews are answered comprehensively I recommend grade 1 – excellent.

6. Questions and remarks to the defense:

In the chapter 5 (pg. 30) you mention the number of employees in oil or oil-related sector. If we consider the statistical data gathered by the Statistics Norway as relevant and analyse the fall in employment after 2014. Is it possible that there were also other factors behind the decrease other than oil price? Please elaborate.

Proposed grade: 2 – very good

Date: 31.5.2017

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Signature of the Thesis Supervisor

Instruction for the review: Author of the review must provide verbal assessment for the specified subsections, which are pivotal for the thesis assessment, particularly for the defense; therefore the assessment must have reasonable explanatory power.

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