Assessment of Master Thesis – Opponent

Study programme: **International Economic Relations**
Field of study: **International Business – Central European Business Realities**
Academic year: **2018/2019**
Master Thesis Topic: **Exchange rate volatility modelling and forecasting: An application on Turkish Economy**
Author's name: **Emrah Yüceer**
Ac. Consultant's Name: **doc. Ing. Josef Taušer, Ph.D.**
Opponent: **Ing. Radek Čajka, Ph.D.**

	Criterion	Mark (1–4)
1.	Overall objective achievement	**3**
2.	Logical structure	**3**
3.	Using of literature, citations	**2**
4.	Adequacy of methods used	**2**
5.	Depth of analysis	**3**
6.	Self-reliance of author	**2**
7.	Formal requirements: text, graphs, tables	**2**
8.	Language and stylistics	**2**

Comments and Questions:

The presented diploma thesis deals with the topic of exchange rate volatility. Its extent is relatively limited, not reaching 60 pages. The introduction and general frame setting seem a bit inadequate to me. The author should have explained more precisely, why this particular topic requires attention. Also, the other goals of the thesis are very ambitious and general.

The first chapter is easy to read and provides the basic understanding towards exchange rates and their volatility. On the other hand, I'm convinced that part dedicated to risk elimination could have been omitted.

In chapter two, it was quite surprising to me that determinants of ER development didn't match those discussed in chapter one. Generally, second part provides a good analysis of the state of Turkish economy, but I would expect a deeper discussion concerning how individual developments and events could potentially affect the exchange rate.

Chapter three should be the highlight of the thesis. In my opinion, parts 3.1 and 3.2 were about to be included in the theoretical chapter. But what I miss the most are logical links between individual chapters. How are chapters one and three linked? Is chapter one foundation for the last part? I don't think so, unfortunately.

By all this I don't mean that individual parts are of low quality. But somehow, I get the feeling that we see isolated chapters and not one complex thesis. And that is a pity, because the author (based on what can be found in the three chapters) probably has good potential.

I recommend final grade **good**. In case of excellent defense the grade can be improved. Questions for discussion:

1. Is there any link between ER determinants and results of modelling?
2. Can the EGARCH model be used for longer predictions?
3. What is the author's prediction of future USD/TRY development?

Conclusion: The Master Thesis is recommended for the defence.

Suggested Grade: **3**

Date: 28/05/2019

Ing. Radek Čajka, Ph.D.
Opponent