

Faculty of Economics of the University of Economics in Prague, nám. Winstona Churchilla 4, 130 67 Prague 3 Tel: +420 224 095 521, Fax: +420 224 221 718, URL: http://nf.vse.cz

## **REVIEW OF THE BACHELOR'S THESIS SUPERVISOR**

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Student's name: Shabnami Mirzo

Thesis title: IINFLUENCE OF HOUSEHOLD DECISION MAKING ON INCOME **INEQUALITY** Name of the thesis supervisor: Robin Maialeh

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Assessment of the topic itself (irrespectively of the student):				
1.1 To what extent is the topic current and significant?	$\square$			
1.2 How challenging is the topic in respect of theoretical knowledge?	$\boxtimes$			
1.3 How challenging it in respect of practical experience or fieldwork?			$\square$	
1.4 How difficult is it to get background materials?		$\boxtimes$		

## Verbal assessment (several sentences), in particular:

Subsection 1.1: The thesis looks at the very burning topic of our times since it combines economic inequality with microeconomic theoretical background, including various behavioral aspects and decision-making in general.

Other (as appropriate):

2. Evaluation of the thesis structure and logical cohesion:				
2.1 To what extent is the thesis structure logical and transparent?	$\square$			
2.2 To what extent does the author use current / suitable sources?	Ц	$\square$	Ц	Ц
2.3 How properly did the author select methods in respect of the topic?		$\bowtie$		
2.4 How sufficiently and functionally did the author use in the thesis original charts, tables, data, annexes, etc.?	$\square$			
2.5 What is the compatibility level for the thesis basic line elements:				
topic – thesis assignment –objective – structure - conclusions?	$\square$			
Verbal assessment (several sentences), in particular:				
Subsection 2.1:				
Subsection 2.5:				
Other (as appropriate):				
3. Assessment of the thesis text quality:				
3.1 How well – in terms of depth and quality – did the author				
analyze the topic?		$\bowtie$		
3.2 Did the author formulate the thesis objective clearly and with logical structure?	$\boxtimes$			
3.3 Did the author fulfill the defined thesis objective and approved				
assignment of the thesis that contains the objective?	$\bowtie$			
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Instructions for the review: Author of the review must provide verbal assess	sment	for th	e snec	cified

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.

<ul> <li>the theoretical part of the thesis?</li> <li>3.5 How well – in terms of depth and quality – did the author cover the practical / analytical part of the thesis?</li> <li>3.6 To what extent are the thesis conclusions logically structured and show quality, and what is their added value?</li> </ul>		$\boxtimes$	
	$\boxtimes$	$\square$	
	$\square$		
Verbal assessment (several sentences), in particular:			
Subsection 3.2:			
Subsection 3.3:			
Subsection 3.4:			
Subsection 3.5:			
Subsection 3.6:			
Other (as appropriate):			
4. Assessment of the thesis form and style:			
4.1 What is the formal layout of the thesis?	$\boxtimes$		
4.2 What is the quality of citations and references? Are sources identifiable?	$\bowtie$		
4.3 What is the stylistic level of the thesis, particularly the use of correct			
economic terminology?	$\square$		
Verbal assessment (several sentences), in particular:			
Subsection 4.2:			
<i>Other (as appropriate):</i>			

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3.4 How well – in terms of depth and quality – did the author cover

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.):

The thesis focuses on economic inequality from an interesting perspective and combines various research methods, which together undoubtedly contributes to our understanding of the issue. Still, I have few minor objections and this overall assessment is their summary. One of them is that we have much more methods of assessing inequality and the author should argue why a particular method was selected in more details. Secondly, I find individual behavior as the least explaining variable in the whole issue of inequality (which, of course, does not disqualify it from any further research). My skepticism stems from two main reasons: 1) It is impossible to determine which behavior fits to the neoclassical concept of rationality and which behavior is outside of it (and hence considered as non-rational or even irrational). Further, 2) economic environment narrows the scope of individual action immensely. Just imagine a poor household in a developing country which is "forced" by basic needs to consume all of its income. Obviously, this has nothing to do with preferences nor with derived concepts like elasticity of intertemporal substitution etc. I can imagine that stated problems could be approached more directly e.g. by considering subsistent consumption theory (which is, on the other hand, most likely above the competence of a student in the bachelor study program). Further, despite the formal side of the thesis is adequate, there are also several typos and the conclusion could summarize results more clearly.

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However, the thesis definitely meets all requirements and I recommend it to be defended at the Faculty of Economics.

## 6. Questions and remarks to the defense:

Q1: What connection do you see between savings and income and how does it affect inequality?

Q2: How would you cope with the fact that economic conditions strongly co-determine differences in behavioral responses between rich and poor? Is not there a risk that individual behavior is a mere intermediary that mirrors material conditions, instead of being a driving force as researched in the thesis?

## **Proposed grade: exceptional**

Date: 4/6/2019

Signature of the Thesis Supervisor

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