REVIEW OF THE BACHELOR'S THESIS SUPERVISOR

Student's name: Malika Shukayeva ....

Thesis title: Optimum Currency Area: the case of the EMU and Turkey..................................

Name of the thesis supervisor: Ing. Lukáš Augustin Máslo, Ph.D. ....

	1	2	3	4
Assessment of the topic itself (irrespectively of the student)**:**				
1.1 To what extent is the topic current and significant?	☒	☐	☐	☐
1.2 How challenging is the topic in respect of theoretical knowledge?	☒	☐	☐	☐
1.3 How challenging it in respect of practical experience or fieldwork?	☒	☐	☐	☐
1.4 How difficult is it to get background materials?	☐	☒	☐	☐

Verbal assessment (several sentences), in particular:
Subsection 1.1:
Other (as appropriate):

	1	2	3	4
2. Evaluation of the thesis structure and logical cohesion:				
2.1 To what extent is the thesis structure logical and transparent?	☒	☐	☐	☐
2.2 To what extent does the author use current / suitable sources?	☒	☐	☐	☐
2.3 How properly did the author select methods in respect of the topic?	☒	☐	☐	☐
2.4 How sufficiently and functionally did the author use in the thesis original charts, tables, data, annexes, etc.?	☒	☐	☐	☐
2.5 What is the compatibility level for the thesis basic line elements: topic – thesis assignment –objective – structure - conclusions?	☒	☐	☐	☐

Verbal assessment (several sentences), in particular:
Subsection 2.1:
Subsection 2.5:
Other (as appropriate):

	1	2	3	4
3. Assessment of the thesis text quality:				
3.1 How well – in terms of depth and quality – did the author analyze the topic?	☒	☐	☐	☐
3.2 Did the author formulate the thesis objective clearly and with logical structure?	☒	☐	☐	☐
3.3 Did the author fulfill the defined thesis objective and approved assignment of the thesis that contains the objective?	☒	☐	☐	☐
3.4 How well – in terms of depth and quality – did the author cover the theoretical part of the thesis?	☒	☐	☐	☐

Instructions 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.

3.5 How well – in terms of depth and quality – did the author cover
  the practical / analytical part of the thesis? ☒ ☐ ☐ ☐

3.6 To what extent are the thesis conclusions logically structured
  and show quality, and what is their added value? ☐ ☒ ☐ ☐

Verbal assessment (several sentences), in particular:

Subsection 3.2: The author formulated the thesis structure clearly, both in the introduction and at the beginning of the practical part. In the introduction, the author says: […] *this paper aims at **assessing the candidacy** of the Republic of Turkey as a prospective EU and Eurozone member state with respect to criteria proposed by the* <u>Optimum Currency Area</u> *theory and* <u>Maastricht Treaty</u> *taking Germany as a center country.* At the beginning of the practical part, the author says: *The main objective of this paper is to **measure the degree of economic integration** between the Republic of Turkey and Eurozone countries constituting the "core" of the common currency area. Turkey`s eligibility for joining the European Monetary Union and its adoption of a common currency is analysed on the base of* <u>Optimum Currency Area</u> *(OCA) criteria as well as* <u>Maastricht convergence criteria</u>*, which represent the official economic requirements to a country willing to enter the Euro-area.*

Subsection 3.3: The author fulfilled the objective of the thesis as it is presented both in the introduction and at the beginning of the practical part. In the conclusion, the author states: […] *it was found out that there exists a strong and statistically significant correlation between the **business cycle** of Turkey and that of Germany, which in turn means that Turkey as a potential member state of a single currency area will not bear large costs to mitigate the negative effects of asymmetric shocks.* […] *As regards the **openness to trade** criterion, among all six countries observed, Turkey obtained the smallest value implying low degree of trade integration with the "core" countries of the Eurozone.* […] *Having analysed the values of Herfindahl index for Turkey, its production sectors are not highly specialised taking into account the decrease of the **specialisation index** over the observed period.* […] *The analysis of Turkey`s **eligibility** to join the Eurozone on the base of the* <u>Maastricht criteria</u> *showed that over the period 2010-2017 the Republic of Turkey could not meet the economic requirements regarding the price stability, convergence of long-term interest rates and exchange rate stability. Only fiscal Maastricht criteria – the ratio of government debt and deficit with respect to GDP were fulfilled.*

Subsection 3.4:
Subsection 3.5:
Subsection 3.6: A more visible borderline should be drawn between the author's own conclusions and borrowed conclusions. The author should be able to "sell" her efforts in a better way by stating more clearly what her added value is. To this purpose, writing in the first person singular would be very helpful: instead of "it was found out" it should say "I have found out" etc.
Other (as appropriate):

4. Assessment of the thesis form and style:

4.1 What is the formal layout of the thesis? ☒ ☐ ☐ ☐

4.2 What is the quality of citations and references? Are sources
  identifiable? ☒ ☐ ☐ ☐

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4.3 What is the stylistic level of the thesis, particularly the use of correct
   economic terminology? ☒ ☐ ☐ ☐

Verbal assessment (several sentences), in particular:
Subsection 4.1: The abstract should be written in the third person singular, present tense. The objective of the thesis should be stated clearly in the abstract.
Other (as appropriate):

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 author has invested an immense effort into this work and this effort has born its fruits, as far as I can judge. After almost one and half year of redrafting and refining, there is really little I could reproach this thesis for. Of this little, I would reproach the author for not separating her own conclusions from conclusions of other authors clearly enough. The author could have stressed her added value more visibly. In other respects, I think this work has fulfilled all requirements placed on final theses by the Faculty of Economics and I recommend it for an oral defense before the commission.

6. Questions and remarks to the defense:
The author has subscribed to the hypothesis of Frankel and Rose (1998) which says that entrance to a single-currency area alone creates the conditions for convergence, a hypothesis known as "endogeneity hypothesis". Does the author subscribe to the endogeneity hypothesis in general or in case of Turkey only?

Proposed grade: Excellent

Date: August 29, 2019

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Signature of the Thesis Supervisor

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