Opponent’s Review

Reviewed Thesis: Comparison of the Impact of Contemporary Financial Crisis on the Economy of the United States of America and China

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The topic of causes and consequences of contemporary financial crisis is very actual and interesting. Comparing the two largest economies in the world is interesting even more from this point of view. Thus, the choice of topic is very good.

The structure of thesis goes from general description of contemporary crisis to more detailed description of the impact of crisis on Chinese and US real economy in chapter 3 and financial markets in chapter 4. Last chapter also analyses the correlation between US and Chinese stock indexes during the crisis. This structure is quite logic, however, some minor weaknesses appear. Dividing the text into sub-chapters in chapter two is maybe too fragmented, there are chapters with 4 or 5 lines, which doesn’t make sense. Chapters 3.2 and part of 3.3.4 are very similar, they are aimed on the same issue.

Thesis lacks some deeper theoretical background, there’s only one (very general) definition of financial crisis and no typology of financial crisis. Also some definition of financial market would be beneficial, as author writes about the impact on stock markets in quite deep detail and more briefly about real estate market, but no impact on bonds market or banking sector is mentioned. Some confusing statements appear in the text - author says that the bubble at real estate market was broken in China, although the prices never fell significantly (both in nominal and real terms). He also mentions the Diamond – Dybvig model (page 9) without a visible relevance to the text. Inspiration by wikipedia is clearly visible, but as author tried his effort, the sentences do not make sense in 2nd paragraph.

Formal aspects of the thesis are slightly below average. Text is full of mistakes, both in grammar and style. Almost each figure is in different style, most of them are visibly downloaded from internet (source is always mentioned), but sometimes their resolution is too low to be readable (figure 3.7 for example).

Probably the main weakness of this thesis is that it is too descriptive. I haven’t found any author’s addition to presented facts – no comments, no opinions, no arguments. Especially results of chapter 4.3 deserve author’s comments and explanation. It’s a pity this topic provides good opportunity to express authors opinions.

Opponent’s role is always to focus more on mistakes and shortcommings of the thesis. Although this review mentions many of them, I must say that the thesis fulfills all the required conditions, so I recommend it for the defence during the final state exam.

During this defence author should answer following answer:

According to the definition in introduction, or to other definitions that can be found in the literature, was there a real financial crisis in China?

Ostrava, 14th May 2015

Ing. Tomáš Wroblowský, Ph.D.