

## Individual study plan of students of doctoral study at IES

(Fill electronically, submit signed form to the secretariat of IES, put the file to your web page.)

### Student's data

Name and surname	Svatopluk Svoboda
Year of beginning of studies	2009
Form of studies	Prezenční
Advisor's name	Doc. Ing. Oldrich Dedek CSc.
Title of dissertation	Financial fragility and transmission channels of monetary policy

### Planned harmonogram of examinations (code/title/semester)

2009/10

WS: NDES – Nonlinear Dynamic Economic Systems (leader prof. Vošvrda)  
SS: NDES – Nonlinear Dynamic Economic Systems (leader prof. Vošvrda)

2010/11

WS: AAEM – Alternative Approaches to Economic Modelling (leader Cahlik).  
SS: AAEM – Alternative Approaches to Economic Modelling (leader Cahlik).

2011/12

WS: NDES – Nonlinear Dynamic Economic Systems (leader prof. Vošvrda)  
SS: NDES – Nonlinear Dynamic Economic Systems (leader prof. Vošvrda)  
SS: State doctoral exam

2012/13

WS: AAEM – Alternative Approaches to Economic Modelling (leader Cahlik).  
WS: Dissertation pre-defence  
SS: AAEM – Alternative Approaches to Economic Modelling (leader Cahlik).  
SS: Dissertation defence

### Planned harmonogram of teaching (code/title/semester)

2009/10

WS:

- JEM035 Financial Market Instruments I
- JEB058 Seminář z Matematické Analýzy I

SS:

- JEM036 Financial Market Instruments II
- JEB059 Seminář z Matematické Analýzy a Algebry II

2010/11

WS:

- JEM035 Financial Market Instruments I
- JEB058 Seminář z Matematické Analýzy I

SS:

- JEM036 Financial Market Instruments II
- JEB059 Seminář z Matematické Analýzy a Algebry II

2011/12

WS:

- JEM035 Financial Market Instruments I
- JEB058 Seminář z Matematické Analýzy I

SS:

- JEM036 Financial Market Instruments II
- JEB059 Seminář z Matematické Analýzy a Algebry II

2012/13

WS:

- JEM035 Financial Market Instruments I
- JEB058 Seminář z Matematické Analýzy I

SS:

- JEM036 Financial Market Instruments II
- JEB059 Seminář z Matematické Analýzy a Algebry II

**Work on dissertation**  
**Synopsis (1- 2 pages)**

During Phd programme I will continue with my research that I have begun during master programme. I would like to concentrate my work on three areas.

- 1) Fragility of banking (resp. financial) sector in economy
- 2) Transmission channels of monetary policy
- 3) Applicability of monetary policy when banks are in stressed conditions

Monetary transmission mechanisms have been in focus of economic research for at least the last 20 years. Nowadays, theory distinguishes many channels through which actions of central banks influence real economic variables, such as aggregate output or inflation. The most important of these channels are *interest rate channel*, *exchange rate channel* and two *credit channels* (bank lending channel and balance sheet channel). Without getting to know and proper understanding of these channels, it is not possible to properly understand effects that central bank has on real economy. Majority of transmission channels works through the banking sector. To these I would like to pay closer attention in theoretical part of my Phd research.

It is obvious that soundness of financial (banking) sector is an important prerequisite for monetary authorities to be able to predict results of monetary actions. When financial sector's functioning is not reliable, or working of banking sector is not transparent, transmission of monetary impulses to real economy may become unpredictable, even reverse. There are many ways how to assess degree of soundness of financial (banking) sector. Leading among them are *microprudential indicators*, *macroeconomic variables* associated with financial soundness, and so-called *fragility indexes*. Attempts of constructing several fragility indexes will constitute analytical part of my Phd research. As to the empirical part, I would like to observe correlation between fragility of banking system and developments of macroeconomic variables in a country.

The leading question, to which I will try to find and formulate answers, is: "How does the degree of banking sector fragility effect the possibilities of monetary authorities to influence real economy?"

**Basic literature**

1. Martin Čihák; *How Do Central Banks Write on Financial Stability?* IMF working paper no. 06/163, June 2006
2. Compilation guide of MFI; *Financial Soundness Indicators*. IMF, 2006
3. A. Geršl and J. Heřmánek; *Indicators of financial system stability: towards an aggregate financial stability indicator?* Prague Economic Papers 2/2008, pp. 127-142.
4. Bernanke B.S., Gertler M.; *Inside the black box: The credit channel of monetary policy transmission*; 1995
5. Brenda Gonzales-Hermosillo; *Banking Sector Fragility and Systemic Sources of Fragility*; IMF WP/96/12, 1996

### Harmonogram of works

2009/10

- Work on the first article for dissertation thesis: "*Financial Fragility Measurement: Indicator-based and Model-based approach*" (based on diploma thesis)
- Applying for three-year-grant in competition by Grant Agency of Charles University (GAUK) with expected title: "*Impact of financial fragility on transmission channels of monetary policy*".

2010/11

- Work on the second article for dissertation thesis: "*Transmission Channels of Monetary Policy: Modern Specification and Methods of Measurement*"
- Dedicating time and effort to grant-activity with expected title: "*Impact of financial fragility on transmission channels of monetary policy*".

2011/12

- Final article for dissertation thesis, titled: "*Financial fragility and transmission channels of monetary policy.*"
- Continuous working on the grant

2012/13

WS:

- Dissertation pre-defense
- Conclusion of grant

SS:

- Dissertation defense

### Planned publication of results

2009/2010

WS:

- Sending paper to IES WP with expected name: "*Financial Stability and Fragile Banking Systems*" (based on diploma thesis) – publication with supervisor of diploma thesis as co-author.
- Sending paper to IES WP with expected name: "*Financial fragility measurement: Indicator-based and Model-based approach*" (based on diploma thesis)

SS:

- Sending paper to EconLit magazine with expected name „*Financial Stability and Fragile Banking Systems*” – We are planning to send our article to following three journals:
  - 1) Czech Journal of Economics and Finance
  - 2) Journal of Central Banking
  - 3) Journal of Financial Stability

2010/2011

WS:

- Sending paper to IES WP with expected name "*Transmission Channels of Monetary Policy: Modern Specification and Methods of Measurement*".

SS:

- Sending paper to EconLit magazine with expected name "*Transmission Channels of Monetary Policy: Modern Specification and Methods of Measurement*".

2011/2012

WS:

- Sending paper to IES WP with expected name "*Financial fragility and transmission channels of monetary policy.*"

SS:

- Sending paper to EconLit magazine with expected name "*Financial fragility and transmission channels of monetary policy.*"

### **Concretization of study plan for 1<sup>st</sup> year of study**

#### **Teaching**

#### **Participation at doctoral seminars**

#### **Beginning of work on dissertation**

#### **Planned examinations**

#### **Other activities**

#### **Work on dissertation thesis**

Working on the first dissertation paper with title: "*Financial Fragility Measurement: Indicator-based and Model-based approach*".

#### **Planned publications:**

WS:

- Sending paper to IES WP with expected name "*Financial Stability and Fragile Banking Systems*"

SS:

- Sending paper to EconLit magazine with expected name "*Financial Stability and Fragile Banking Systems*"

#### **Teaching 2009/20010:**

WS:

- Seminars (1. JEM035 Financial Market Instruments I; 2. JEB058 Seminář z Matematické Analýzy I)

SS:

- Seminars (1. JEM036 – Financial Market Instruments II, 2. JEB056 – Seminář z Matematické Analýzy a Algebry II)

**Doctors' seminars:**

WS: NDES – Nonlinear Dynamic Economic Systems (leader prof. Vošvrda)

SS: NDES – Nonlinear Dynamic Economic Systems (leader prof. Vošvrda)

**Other activities**

WS, SS: Participation on the dissertation defenses of other PhD students (at least 25%).

**Advisor's evaluation**

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Advisor's signature

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Student's signature