

Questions for the Bachelor State Examinations

(Academic Year 2020/2021)

Study Program: **Finance, Banking & Investment**

Economic Theory

1. The reproduction process in economics. The nature and function of the market mechanism. Creating market equilibrium in point of view of neoclassical economic theories. Elasticity of demand and elasticity of supply. Cobweb theorems.
2. Rational choice theory of consumers. Cardinal and ordinal utility theory.
3. Producer's decision-making process and profit maximization under perfect and imperfect competition.
4. The production factors market. Valuation of production factors. Producer's decision-making in the factor market under conditions of perfect and imperfect competition.
5. Theoretical approaches to aggregate demand and aggregate supply. Basic models of aggregate market and macroeconomic equilibrium. Models of economy (two-sector, three-sector and four-sector model of economy).
6. Commodity market and derivation of IS curve. Money market and derivation of LM curve. Macroeconomic equilibrium in the IS–LM model.
7. Theoretical and practical problems of measuring economic performance. Basic and extended Solow's model of economic growth.
8. Consumption, Savings and Investments. Classical, Neoclassical and Keynesian theory of consumption and savings. Expenditure model in a closed and open economy.
9. Theory of economic and political cycle. Theoretical views on countercyclical measures; use of stabilization policies (fiscal and monetary policy) in the AD-AS and IS-LM models.
10. The role of money in the economy, monetary aggregates. Neo-Keynesian and Monetarist approach to money supply and demand. Quantitative theory of money. Money and deposit multiplier.
11. Theoretical interpretation of inflation and anti-inflation policy. Theoretical and practical problems of unemployment, the concept of full employment. Relationship between inflation and unemployment. Relationship between output and employment.
12. Economic policy and its origin, development, concepts, bearers, goals. The role of the state in the economic system. Theoretical and practical approaches to the application of economic policy. Institutional conditions of economic policy.
13. Monetary policy, its tools and types. The impact of monetary policy on the development of the price level, employment, gross domestic product and balance of payments. Transmission mechanisms of monetary policy. Substandard monetary policy and its implementation at present.

14. External economic policy. Openness of the economy. External economic policy instruments. Locomotive theorem. Principle of imported inflation.

15. Social policy, distribution policy (Lorenz curve, Gini coefficient), active and passive employment policy.

16. Competition policy. Forms of restriction of competition. Structure indicators industry. Evaluation of economic policy results (comparison of various indicators and indices).

17. Forms of International Economic Relations (IER), their development and peculiarities after World War II and after 2009. Place and characteristics of Slovak economy in terms of participation in IER (illustration on selected IER form).

18. Competitiveness in the world economy. Definition and levels of competitiveness analysis. Methodology of competitiveness evaluation according to selected international criteria and position of Slovakia (on the example of the World Economic Forum evaluation).

19. The concept and formation of three centres in the World economy. Summary characteristics and specificities of the three World economy centres: American Centre, European Centre, Japanese Centre. Changes in the configuration of the World economy centres after 2009 and the status of the so-called peripheral areas of the World economy. The role and position of so-called BRICS countries.

20. The essence of international economic integration (IEI), theoretical approaches to IEI, forms of IEI. Development of integration processes in Europe, current characteristics of the EU. The place of Slovakia's economy in the EU as its member country. Slovakia and the EMU.

Financing of the Business Entities

1. Financial system and its functions. Financial market. Financial market segmentation. Functioning of the financial market. Financial market participants.

2. Money market. The essential basement, classification and instruments of the money market. Valuation of money market instruments.

3. Capital market. The essential basement, classification of the capital market. Capital market participants. Capital market instruments.

4. Shares, types of shares and their characteristics. Dividend policy, types and factors of dividend policy.

5. Bonds as a tool of the capital market. Classification of bonds. Bond issuing and bond valuation.

6. Stock exchanges as an economic category. The essential basement and meaning of stock exchanges.

7. Trading system of the stock exchange and determination of the price of a security: fixing and continuous quotation. Types of trading orders.

8. Collective investment. Mutual funds and their certificates, the essential basement and significance.

9. Basics of investing. Magic triangle. Investor risk. Elasticity of investment instruments. Investment philosophy.
10. Fundamental analysis of actions. Nature, classification, characteristics. Indices, indicators of fundamental analysis.
11. Intrinsic value of shares. Characteristics. Use in investing. Methods of calculation. Stock screening.
12. Technical analysis of shares. Nature, classification, characteristics. Basic indicators of technical analysis.
13. Psychological concept. Crowd theory. Pyramid investment. Kostolany's and Drasnar's concept of investment psychology.
14. Theory of efficient markets. Nature, assumptions and pitfalls. Types of efficiency. Market anomalies.
15. Markowitz's theory of optimal portfolio selection. Effective portfolio, opportunity set and efficient frontier, indifference curves.
16. The position of national banks in the Eurosystem, the monetary policy of the ECB.
17. Management of assets and liabilities of a commercial bank: goals, functions, processes. Management of balance sheet structure (in terms of efficiency, portfolio optimization and risk). Management and indicators of profitability, performance and cost.
18. Tenders and risk control measures in Eurosystem operations (The tender procedure; risk control measures for marketable and non-marketable assets).
19. Credit strategy and policy: content and principles. The credit process and its management within the commercial bank. Impact on the performance and risk of the bank. Phases of the loan process.
20. Banking in the context of the Basel Capital Accord (Classification of risks in banking; characteristics of individual risks; Basel Capital Accord; capital adequacy of banks).

Private and Public Finances

1. The fundamental attributes and principles of corporate finance. Enterprise definition. Classification of enterprises according to organisational legal form.
2. Financial management of the enterprise. Capital and property structure of the enterprise.
3. Formal records of financial statements. Balance sheet. Income statement. Cash flow statement. The essential basement and meaning, the fundamental structure of the statements.
4. Enterprise costs. The essential basement and meaning. Cost classification. Type classification of costs. Classification of costs based on the volume of enterprise performance. Calculation classification of costs.
5. Revenues of the enterprise. The essential basement and meaning. Profit and its forms.
6. Financial resources of the enterprise. Internal and external sources of funding. Raising capital from internal and external sources. Obtaining financial resources in credit form.

7. Depreciation. Accounting and tax depreciation. Depreciation methods.
8. Enterprise valuation. Book value. Substantial value. Yield method. EVA. Dividend method. Discounted free CF method.
9. Financial analysis of the enterprise. The essential basement, goal and importance of financial analysis of the enterprise. Financial analysis indicators. Retrospective financial analysis.
10. Bankruptcy and creditworthiness models of financial analysis. Altman model. Taffler model. Springate model. Beerman test. Index of credit worthiness. Quick test. Argenti model.
11. Public finances. The essential basement and meaning. Functions of public finances: allocation, redistribution and stabilisation.
12. Economic analysis of public goods. Classification of goods. Goods provided by the public sector.
13. Externalities. Classification of externalities. Possibilities of solving the problem of externalities.
14. Public decision-making on non-market activities of the state–public choice. Voting mechanisms. Factors influencing the individual decision of the voter–citizen.
15. Public finances revenues. The essential basement and meaning. Classification of public revenues. Characteristics of taxes and fees, subsidies and grants.
16. Tax efficiency and tax burden. Revenue and substitution effect of taxes. Excessive tax burden. Optimal tax system.
17. Tax incidences. Formal and real incidences. Shifts of the tax burden. Factors influencing the shift of the tax burden to other entities.
18. State budget. Economic characteristics of the state budget. Revenues and expenditures of the state budget. Opinions on the deficit of the state budget. Budgetary principles. Budgetary process.
19. Public debt. Definition, causes, and structure of public debt. Forms of government debt and the main causes of its growth. Consequences of public debt.
20. Public expenditures. The essential basement, development of the public expenditures function. Factors influencing the growth of public expenditure. Methods for efficiency valuation of public spending.