Master Program in Finance – Exam Questions

1. Gross Domestic Product and Income
2. Foreign exchange rate and international transactions
3. Policies for maintaining full employment
4. Policy formation towards inflation
5. The golden standard, symmetric money correspondence to golden reserves; advantages and disadvantages of golden standard
6. Current demand on money – Keynes’ Liquidity preference theory
7. Current demand on money – differing characteristics between Keynes’ and Friedman’s theories
8. Open market operations: types, advantages and disadvantages
9. Essence and functions of banking capital
10. Organizational structure of central bank; functions of central bank
11. Role of commercial banks in financial system functioning; organizational structures of commercial banks
12. Financial statements of commercial banks: balance sheet and profit-loss statement and its components
13. Banking risks: types of risks, valuation and management (liquidity risks, market risks, legal risks, reputation risks, solvency risks)
14. Evaluating investment portfolio management results, monitoring and reporting
15. Passive strategy of management of investment portfolio
16. Interest rate structure theory
17. Principle of current and future value
18. Time valuation application
19. Determining the value of individual capital
20. Determining the value of liability capital

**Recommended Literature:**

1. Principles of Managerial Finance by Lawrence J. Gitman, 12th Edition, Pearson Publishing (2007)
2. Barbara Casu, Claudia Girardone, Philip Molyneux (2006). *Introduction to Banking*, Pearson Education, Prentice Hall.
3. Mishkin Frederic S. (2007) The Economics of Money, Banking, and Financial Markets (8th ed.). Pearson, Addison Wesley
4. Paul R. Krugman, Maurice Obsfeld, International Economics: Theory and Policy. (8th ed.), 2009
5. Keith C. Brawn and Frank K. Reilly Analysis of Investments and Management of Portfolios, Ninth Edition, 2009