

MINISTRY OF EDUCATION AND SCIENCE OF UKRAINE

**SIMON KUZNETS KHARKIV NATIONAL UNIVERSITY
OF ECONOMICS**

Syllabus
of the academic discipline
"FINANCE, MONEY AND CREDIT"
for full-time students
of training direction 6.030601 "Management"

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A thematic plan of the academic discipline by modules and themes is given. Plans of lectures and seminars (practical lessons), questions for independent training, criteria for assessing students' knowledge are presented.

Recommended for students of training direction 6.030601 "Management".

Наведено тематичний план навчальної дисципліни за модулями та темами. Подано плани лекцій та семінарських (практичних) занять, запитання для самостійної роботи, критерії оцінювання знань студентів.

Рекомендовано для студентів напряму підготовки 6.030601 "Менеджмент".

Introduction

The terms of managing modern enterprises set new goals and tasks for their leadership. Formation of the financial policy of Ukraine and the financial mechanism of its implementation require a radical change in relation to the level of training of specialists in financial activity in a market economy.

Success of any business activity in political and economic relations highly depends on the understanding of global financial processes, financial information and monetary instruments. That is why it is very important for a country to take its rightful place in the global environment to train professionals able to analyze economic phenomena such as finance, money, financial market and credit, to interpret changes in their functioning and to develop appropriate approaches to a modern economic policy. The development of a market economy leads to an increased role of finance, money and credit in various sectors of the economy of Ukraine.

Scientific understanding of the problems of finance, money, monetary circulation and credit, tax and budget relations is a necessary part of professional knowledge.

The academic discipline "Finance, Money and Credit" refers to the regulatory cycle of professionally oriented training programmes for Bachelor's academic qualification of training direction 6.030601 "Management".

The academic discipline "Finance, Money and Credit" is closely related to the following disciplines: "Economic Theory", "Economics and Finance of Enterprises", "Public Administration".

1. Description of the academic discipline

Indicator	Subject area, training direction, educational qualification	Characteristics of the academic discipline
		Full-time form of study
Number of credits: 4,5	Subject area 0306 "Management and Administration"	Regulatory
Modules: 2	Training direction 6.030601 "Management"	Academic year:
Content modules: 2		2
Total hours: 162		Semester
		1 (3)
		Lectures
Hours per week for full- time form of study: in class: 4 independent training: 99	Educational qualification: Bachelor	30 hours
		Practical (seminar) studies
		30 hours
		Independent training
		99 hours
		Assesment: examination, 3 hours

Class hours to independent training ratio: 59 %

2. The purpose and objectives of the academic discipline

The purpose of the academic discipline is to master knowledge of principles of the finance and organization of financial relations at enterprises, allowing effective management decisions in transition economies.

The main objectives of the discipline are to provide students with the necessary theoretical foundations, guidelines and practical skills in the basics of financial relations, development and use of financial resources at all levels – state, local budgets, public and private funds; development and functioning of the banking system; tax system and the efficiency of its operation, the financial market and its place in shaping the financial resources and money supply, the monetary system and its characteristics, the credit system of the state, the place and role of the market infrastructure, international monetary and credit institutions and forms of cooperation, and organization of financial relations in the workplace.

The object of the discipline is the financial system and main processes concerning financial activity of an economic unit.

The subject is financial statements of an enterprise and a state.

For the best possible mastering of the academic discipline materials, students must have knowledge and skills in the field of economic theory, macro- and microeconomics, the basics of foreign economic activity management and have methodological tools of analysis of various forms of ownership.

In the course of studies students receive the required knowledge during lectures and carrying out practical tasks. Certain issues are submitted for review and discussion during seminars. The independent work of students is also of great importance in the study and consolidation of knowledge. All these types of classes are designed according to the Bologna Declaration.

As a result of studying the academic discipline, students should:

know:

the nature of money and credit, and their importance in modern development of Ukraine's economy and the world;

the scope of money, the essence of the concepts of currency, monetary aggregates;

the value of money, cash and non-cash payments;

monetary system, inflation, exchange rate;

the money and credit system of Ukraine;

functions and forms of credit;

the essence of finance, their role and functions;

relationship of finance with other categories in the process of allocation of cost, the necessity of finance in terms of commodity production;

the nature of the companies' finance;

the costs of production of goods (works, services), planning sales revenue and components of earnings;

bond proceeds from the sale and terms of delivery of products;

be able to:

plan company's profits and use different planning methods;

distribute and use company's profits;

identify net income;

estimate fixed assets;

analyse working capital and its structure, identify needs for working capital;

perform strategic financial planning and characterise stages of financial planning;

choose and justify the optimal financial decision on the basis of usage of different financial methods.

When studying the academic discipline, students should get professional competencies listed in Table 2.1.

Table 2.1

Professional competencies which students should have after studying the academic discipline

Competence	Content of competence
The ability to assess the impact of the macroeconomic environment on the functioning of organizations and authorities	Understand the meaning of money and its functions
	Choose the optimal decision in the market economy
The ability to assess the financial and economic activity	Analise the market processes, the influence of such processes on company's activity
	Define main financial statement of a company
The ability to understand the functioning of an economic organization to gather information for decision-making, planning and control activities	Make a decision on the choice of the best financial activity
	Organise planning and control activity on financial flows at an enterprise
	Plan and control a financial activity of an enterprise
	Estimate financial decisions

3. The syllabus of the academic discipline

Content module 1. Money and credit

Theme 1. The essence of money and its functions. Theories of money

Rationalist and evolutionary origin of the concept of money. Specificity of expression of the essence of money in different economic systems.

The concept of the functions of money and their evolution. The functions of measure of value, medium of exchange, a means of payment, means of accumulation, world money.

The classical quantity theory of money, its basic tenets. Nominalistic interpretation of the essence of the quantity theory of money followers. The modern monetarism as an alternative direction to the quantity theory.

Theme 2. Money turnover and cash flows

The concept of a cash flow as a process of movement of money. Cash payments as components of a cash flow. The main subjects of currency.

The structure of a cash flow. Cash and non-monetary sectors. Monetary aggregates. Velocity of money, the order of calculation.

The mechanism of replenishment of money in circulation. The primary issue of the central bank. Secondary emission of deposit money banks. Money multiplier.

Modern means of payment that cater to the circulation of money: ATM, coin, deposit money, bills, checks, their nature and characteristics.

Theme 3. The monetary system

The essence and elements of the monetary system. The need of creation of the monetary system of Ukraine. State regulation of the monetary sphere. The monetary policy of the central bank.

Fiscal-budgetary and monetary policy in the system of state regulation of the market economy. Features of the fiscal-budgetary and monetary policy in Ukraine.

Theme 4. The essence of credit and credit mechanism

General conditions of credit relations. The essence of credit. Objects and subjects of credit relations.

Forms and types of credit. Forms of credit, advantages and disadvantages of each form. Specific types of credit: banking, government, commercial, international, consumer.

Economic credit limit, causes and consequences of their violation. The concept features a loan, their classification and characterization.

Theme 5. Credit system

The concept of credit system, approaches to its definition. Components of the credit system and their general characteristics.

The concept of the banking system, principles, objectives, operation mechanism. Types of banks. The functions of the banking system. The formation and development of the banking system of Ukraine.

State regulation of credit policy, characteristics and features in Ukraine. Credit and banking policy in Ukraine.

Content module 2. Basics of Finance

Theme 6. The essence and purpose of finance

Finance, economically valuable, distribution, historical category. Specific features of finance and their relationship with other value categories.

Financial resources as material carriers of financial relations.

Functions of finance: distribution and control. Financial information and its role.

Theme 7. The financial system of Ukraine

The concept of the financial system, its definition and structure. Fiscal policy as an integral part of economic and social policy.

Financial mechanism as an instrument of monetary policy. Financial policy of Ukraine today.

The essence, principles, methods and objectives of financial planning. The essence of financial control, its importance, types, forms and methods.

Legal regulation of financial relations. Financial Law.

Theme 8. State budget

Budget as an economic category. The budget system and budget mechanism. Budget adjustment.

The Budget Code of Ukraine. Budget process components and their characteristics. Budget planning. State budget.

Theme 9. State revenues

State revenues: concept, content and economic impacts. Centralized and decentralized sources of income.

Organization of income: principles, nature, structure and characterization.

Revenues of state enterprises and organizations. Profits of state enterprises.

Theme 10. State Expenditures

The state budget expenditures, the nature and characteristics. Classification of expenditures.

Intergovernmental transfers, their characteristics and types. Relations between budgets of different levels.

Theme 11. Finances of enterprises

Finance of enterprises and their characteristics. Enterprise property. Fixed assets and circulating assets. The financial resources of enterprises, their characteristics and sources of their formation. Funds of companies: charter, reserve, depreciation, payroll and others.

Cash receipts from all business activities: basic, investment, financial. Profit of companies: characteristics, formation and use.

Investing activities: content, characteristics and its financial results.

Peculiarities of financial relations at enterprises of different ownership forms and activities.

Theme 12. Finance in foreign economic relations

The concept of the financial mechanism of foreign relations. Currency regulation and currency exchange. Currency markets.

International credit relationships. International credit and bank credit.

International Monetary Fund (IMF), the characteristics, conditions and requirements of credit and investment. World Bank (IBRD) and its forms of cooperation in Ukraine. European Bank for Reconstruction and Development (EBRD), and investment and credit policy in Ukraine. Financial assistance from the IFIs, states and other structures on the formation of the financial sector in Ukraine.

4. The structure of the academic discipline

From the beginning of studying the academic discipline, each student should be familiar with both the syllabus of the academic discipline and forms of training, and with the structure, content and scope of each of the training modules, as well as all the kinds of monitoring and evaluation of training methods.

The educational process in accordance with the program of the academic discipline "Finance, Money and Credit" is carried out in the following forms: lectures, seminars and practices, individual work, independent study of students, and control measures.

The study of the academic discipline occurs through consistent and thorough elaboration of training modules which are relatively independent units of separate disciplines that logically combine several training elements of the academic discipline on the content and interdependences.

The plan of the academic discipline consists of two modules (Table 4.1).

Table 4.1

The structure of a test credit of the academic discipline

№	Theme	Number of hours				
		Lectures	Seminars	Practice	Independent training	Total
1	2	3	4	5	6	7
Module 1. Money and credit						
1	The essence of money and its functions. Theories of money	2	2		4	8
2	Money turnover and cash flows	2	2		6	10
3	The monetary system	4	2	2	12	20
4	The essence of credit and credit mechanism	4		4	11	19
5	Credit system	2	2		6	10
	Total hours per module	14	8	6	39	67
Module 2. Basics of finance						
6	The essence and purpose of finance	4	4		11	19
7	The financial system of Ukraine	2	2		6	10
8	State budget	2		2	5	9
9	State revenues	2	2		6	10
10	State expenditures	2	2		5	9
11	Finances of enterprises	2		2	6	10
12	Finance in foreign economic relations	2	2		5	9
	Total hours per module	16	12	4	44	76
	Exam preparation				16	16
	Exam					3
Total for the academic discipline		30	20	10	99	162

5. Plans of practices and seminars

A seminar is a form of instruction in which the teacher organizes discussion around certain themes on which students prepare theses.

Practical lessons are aimed at developing abilities and skills of performing certain types of work management.

In the course of practical training students (after the previous explanation of the teacher) carry out the proposed tasks of different complexity, consider production situation or play business games.

Practical tasks are performed collectively in small groups or individually. Some objectives can be performed by self-training. At the end of the task testing and summarizing is performed with followed by appropriate assessment.

The list of themes for practices and seminars is presented in Table 5.1.

Table 5.1

The structure of seminars and practices

Theme	Hours	Questions for seminars	Literature
1	2	3	4
Module 1. Money and credit			
<i>Theme 1.</i> The essence of money and its functions. Theories of money (seminar)	2	1. The historical aspect of money. 2. Money as a personal item. 3. The main functions of money and their characteristics. 4. Different interpretations of the nature of money	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 2.</i> Money turnover and cash flows (seminar)	2	1. Metallistic theory and its essence. 2. Key provisions of the nominalistic theory of money. 3. The quantity theory of money. 4. Characteristics of modern monetarism. 5. Theories of inflation	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 3.</i> The monetary system (practice)	2	1. Financial calculations	Main: [1 – 5]. Additional: [6 – 7]

Table 5.1 (continuation)

1	2	3	4
<i>Theme 3.</i> The monetary system (seminar)	2	1. The concept and elements of the monetary system. 2. Monetary reform and methods. 3. Inflation and its types. 4. The concept of emissions. 5. Emissions in the capitalist countries. 6. Deposit-credit issue. 7. Monetary policy	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 4.</i> The essence of credit and credit mechanism (practice)	4	1. Inflation and its measurement. 2. Determination of profitability of debt securities	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 5.</i> Credit system (seminar)	2	1. Types of banks. 2. Functions of the banking system. 3. Formation and development of the banking system of Ukraine	Main: [1 – 5]. Additional: [6 – 7]
Module 2. Basics of Finance			
<i>Theme 6.</i> The essence and purpose of finance (seminar)	4	1. The emergence of finance, their relationship with the state and development of commodity-money relations. 2. Economic content of finance. 3. The need of finance in terms of commodity production.	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 7.</i> The financial system of Ukraine (seminar)	2	1. The financial system of Ukraine. 2. The state financial system in developed countries. 3. The structure of the financial system of Ukraine. 4. The essence and importance of the financial policy. 5. The financial mechanism and its role in the implementation of financial policies. 6. Financial policy of Ukraine at present	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 8.</i> State budget (practice)	2	1. Scheduling of credit repayment	Main: [1 – 5]. Additional: [6 – 7]

Table 5.1 (the end)

<i>Theme 9. State revenues (seminar)</i>	2	1. The content and significance of state finance	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 10. State expenditures (seminar)</i>	2	1. State trust funds	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 11. Finances of enterprises (practice)</i>	2	1. Overdraft	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 12. Finance in Foreign Economic Relations (seminar)</i>	2	1. The essence of finance in foreign economic relations	Main: [1 – 5]. Additional: [6 – 7]

6. Independent training

Successful learning of the academic discipline requires independent study of special economical literature, periodical publications. The main types of independent work, students are offered is given in Table 6.1.

Table 6.1

The structure of independent work

Theme	Questions for independent work	Hours	Literature
1	2	3	4
Module 1. Money and credit			
<i>Theme 1. The essence of money and its functions. Theories of money</i>	1. Specifics of the definition of the essence of money in different economic systems	4	Main: [1; 3 – 4; 7 – 8; 13; 15]. Additional: [3]
<i>Theme 2. Money turnover and cash flows</i>	1. Monetary aggregates. 2. The mechanism of replenishment of money in circulation. 3. Money multiplier	6	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 3. The monetary system</i>	1. Features of fiscal and budgetary and monetary policy in Ukraine	12	Main: [1 – 5]. Additional: [6 – 7]

Table 6.1 (the end)

1	2	3	4
<i>Theme 4.</i> The essence of credit and credit mechanism	1. Economic credit limit, causes and consequences of their violation	11	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 5.</i> Credit system	1. The formation and development of the banking system of Ukraine. 2. State regulation of monetary policy in Ukraine. 3. Credit and Banking Policy in Ukraine	6	Main: [1 – 5]. Additional: [6 – 7]
Module 2. Basics of Finance			
<i>Theme 6.</i> The essence and purpose of finance	1. Financial information and its role	11	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 7.</i> The financial system of Ukraine	1. The financial policy of Ukraine today	6	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 8.</i> State budget	1. The Budget Code of Ukraine	5	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 9.</i> State revenues	1. Organization of revenues: principles, essence, structure	6	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 10.</i> State expenditures	1. Relations between budgets of different levels	5	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 11.</i> Finances of enterprises	1. Features of finances of enterprises of different ownership forms	6	Main: [1 – 5]. Additional: [6 – 7]
<i>Theme 12.</i> Finance in Foreign Economic Relations	1. Financial assistance from the IFIs, countries and other organizations to form the financial sector in Ukraine	5	Main: [1 – 5]. Additional: [6 – 7]
<i>Exam preparation</i>	All the considered themes	16	Main: [1 – 5]. Additional: [6 – 7]

6.1. Questions for self-control

1. Describe the functions of money.
2. What theories of money do you know? What are their essence and differences?
3. What is the essence of money circulation?

4. What are the main form of non-cash payments?
5. Describe the concept of monetary reform and methods of it implementation.
6. What factors affect inflation?
7. What is the relationship between the form and type of credit?
8. Describe the nature and goals of monetary policy.
9. Identify the place and role of credit in a market economy.
10. What is the structure and composition of the credit system of Ukraine?
11. What are the main characteristics of credit?
12. What are the forms of monetary policy?
13. What are the basic principles of relations between commercial banks and the National Bank?
14. What are the positive and negative aspects of debt management methods of the country?
15. What are the different types of currency exchange rates?
16. Determine the nature of foreign exchange restrictions.
17. What are the prospects for fiscal policy of Ukraine today and why?
18. What is the meaning and importance of fiscal policy?
19. Provide a description of the functions of finance.
20. What is the composition and role of the state finances?
21. What types of taxes do you know?
22. Determine the nature of the financial mechanism.
23. What is the economic and social value of state expenditures?
24. How to mobilize state revenues?
25. What are the criteria for evaluation of counseling?
26. What are the main issues arising in the field of state regulation of the tax system of Ukraine?
27. Determine the value of international monetary policy in the market conditions.
28. What are the functions of international financial institutions?
29. What international financial institutions do you know?
30. What factors depend on Ukraine's cooperation with international financial institutions and nations of the world?
31. Describe the financial relations arising in the process of business of enterprises.
32. Analyze the relationship of an enterprise with the budget and extrabudgetary funds.

7. Tutorials

Individual and consulting work is advisory work in the form of: individual lessons, consultations, checking of individual tasks, verification and security problems that make the current control.

The forms of individual and advisory work are:

a) theoretical material:

consulting: individual (question – answer);

group (considering typical examples – cases);

b) practical material:

individual and group counseling;

c) comprehensive assessment of learning the syllabus material:

individual presentation of works.

8. The system of current and final assessment

Control measures include current and final assessment:

1. Current control takes place at lectures and practical lessons (seminars), evaluated by the total number of points gained during the semester (the maximal possible number is 60 points, the minimal required number is 35 points).

2. Final control takes place at the end of each semester in the form of an examination (the maximal possible number is 40 points).

Current control is carried out in the following forms:

active work at lectures;

performance of practical tasks and active participation in the their discussions;

preparation and presentation of materials at seminars and active participation in discussions during seminars;

check of essays;

current tests.

Evaluation is conducted on a 100-point accumulative scale which is presented in Table 8.1.

Evaluation of knowledge is based on solving the test tasks. Tests cover the main themes of the academic discipline. They consist of a set of questions which must be answered "yes", "no" or in a particular word.

Test results are evaluated on the 2-point scale according to the percentage of correct answers to the test tasks:

mark 2.0: 96 – 100 %;	mark 1.0: 46 – 50 %;
mark 1.9: 91 – 95 %;	mark 0.9: 41 – 45 %;
mark 1.8: 86 – 90 %;	mark 0.8: 36 – 40 %;
mark 1.7: 81 – 85 %;	mark 0.7: 31 – 35 %;
mark 1.6: 76 – 80 %;	mark 0.6: 26 – 30 %;
mark 1.5: 71 – 75 %;	mark 0.5: 21 – 25 %;
mark 1.4: 66 – 70 %;	mark 0.4: 16 – 20 %;
mark 1.3: 61 – 65 %;	mark 0.3: 11 – 15 %;
mark 1.2: 56 – 60 %;	mark 0.2: 6 – 10 %;
mark 1.1: 51 – 55 %;	mark 0.1: 0 – 5 %.

Table 8.1

Contribution of points by forms and methods of studying

Theme	Lecture	Seminar / practice	Home task	Essay	Presentation	Test	Total
1	2	3	4	5	6	7	8
Module 1. Money and credit							
<i>Theme 1.</i> The essence of money and its functions. Theories of money	0.5	0.5			1	2	4
<i>Theme 2.</i> Money turnover and cash flows	0.5	0.5			1	2	4
<i>Theme 3.</i> The monetary system	1	1	2		1	2	7
<i>Theme 4.</i> The essence of credit and credit mechanism	1	1	4			2	8
<i>Theme 5.</i> Credit system	0.5	0.5			1	2	4
Module 2. Basics of finance							
<i>Theme 6.</i> The essence and purpose of finance	1	1		2	1	2	7
<i>Theme 7.</i> The financial system of Ukraine	0.5	0.5			1	2	4
<i>Theme 8.</i> State budget	0.5	0.5	2			2	5
<i>Theme 9.</i> State revenues	0.5	0.5			1	2	4
<i>Theme 10.</i> State expenditures	0.5	0.5			1	2	4
<i>Theme 11.</i> Finances of enterprises	0.5	0.5	2			2	5
<i>Theme 12.</i> Finance in foreign economic relations	0.5	0.5			1	2	4
Examination							40
Total	7.5	7.5	10	2	9	24	100

Example of current control

Task 1 (2 points)

Test. Choose the right answer (just 1 variant is possible).

1. A security is currently selling for \$8,000 and promises to pay \$1,000 annually for the next 9 years, and \$1,500 annually in the 3 years thereafter with all payments occurring at the end of each year. If your required rate of return is 7 % p.a., should you buy this security?

- a. Yes, because the return is greater than 7 %.
- b. No, because the return is less than 7 %.
- c. Yes, because the return is 7 %.
- d. Yes, because the present value of 7 % is less than \$8,000.
- e. There is insufficient information provided to answer this question.

2. A given rate is quoted as 12 % APR, but has an effective annual rate (EAR) of 12.55 %. What is the frequency of compounding during the year?

- a. Annually.
- b. Semiannually.
- c. Quarterly.
- d. Monthly.
- e. Daily.

3. Deryl wishes to save money to provide for his retirement. Beginning one year from now, he will begin depositing the same fixed amount each year for the next 30 years into a retirement savings account. Starting one year after making his final deposit, he will withdraw \$100,000 annually for each of the following 25 years (i.e. he will make 25 withdrawals in all). Assume that the retirement fund earns 12 % annually over both the period that he is depositing money and the period he makes withdrawals. In order for Deryl to have sufficient funds in his account to fund his retirement, how much should he deposit annually (rounded to the nearest dollar)?

- a. \$97,368.
- b. \$2,902.
- c. \$3,250.
- d. \$2,730.
- e. \$3,640.

4. You have just received an advertisement from Corleone Inc., a paycheck loan service. Corleone will charge you a fee of 5 % for a two-week loan (i.e. if you borrow \$100, you must repay \$105 in two week's time). Assuming a 52 week year, what is the Effective Annual Rate (EAR) that Corleone charges (rounded to the nearest whole percent)?

- a. 130 %.
- b. 356 %.
- c. 5 %.
- d. 256 %.
- e. 230 %.

5. Your neighbor offers you an investment opportunity which will pay a single lump sum of \$2,000 five years from today. The investment requires a single payment of \$1,500 today. What is the annual rate of return on this investment?

- a. 5.71 %.
- b. 5.92 %.
- c. 6.18 %.
- d. 6.67 %.
- e. 33.33 %.

6. Kerri James is considering the purchase of a car. She wants to buy the new VW Beetle, which will cost her \$17,600. She will finance 90 % of the purchase price (i.e., make a 10 % down payment) at an interest rate of 5.9 percent, with monthly payments over three years. How much money will she still owe on the loan at the end of one year (to the nearest dollar)?

- a. \$13,560.
- b. \$10,868.
- c. \$12,075.
- d. \$15,704.
- e. \$17,152.

7. You are considering two perpetuities which are identical in every way except for the when the perpetuity payments will begin. Perpetuity A will begin making annual payments of a fixed amount, with the first payment being made two years from today. Perpetuity B pays the same fixed annual

payment, but will make the first payment one year from today. Which of the following statements is most correct?

- a. The PV of perpetuity A is greater than the PV of perpetuity B by the amount of the fixed payment.
- b. The PV of perpetuity B is greater than the PV of perpetuity A by the amount of the fixed payment.
- c. The PV of perpetuity A is equal to the PV of perpetuity B.
- d. The PV of perpetuity A is greater than the PV of perpetuity B by the present value of the amount of the fixed payment.
- e. The PV of perpetuity B is greater than the PV of perpetuity A by the present value of the amount of the fixed payment.

A typical structure of the examination card

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Training direction 6.030601
The academic discipline "Finance, Money and Credit"

Exam card

Task 1. (Diagnostic). (max 6 points)

You can earn 12 percent interest, compounded annually. How much must you deposit today to withdraw \$15,000 in 6 years?

Task 2. (Diagnostic). (max 8 points)

What is the present value of \$1,000 received 2 years from today if the nominal interest rate is 9 % and compounded monthly?

Task 3. (Diagnostic). (max 10 points)

Your uncle has agreed to deposit \$8,000 in your brokerage account at the beginning of each of the next five years. You estimate that you can earn 9 percent a year on your investments. How much will you have in your account four years from now? (Assume that no money is withdrawn from the account until $t = 4$.)

Task 4. (Heuristic). (max 16 points)

You deposited \$7,000 in a savings account that pays 8 percent interest, compounded quarterly, planning to use it to finish your last year in college.

Eighteen months later, you decide to go to the Rocky Mountains to become a ski instructor rather than continue in school, so you close out your account. How much money will you receive? And why?

Evaluation criteria for a written exam

An exam card includes the following tasks: three diagnostic tasks, one heuristic task.

Diagnostic tasks (maximum score is 6 points).

Mark 6 is given for full assimilation of the syllabus material and the ability to navigate in it, conscious application of knowledge to the solution of practical situations. When performing diagnostic tasks a student must draw correct conclusions about the proposed situation and formulate his own recommendation to improve the problem. The design of the completed task should be neat.

Mark 5 is given for full assimilation of the syllabus material and the ability to navigate in it, conscious application of knowledge to the solution of the problem. The design of the completed task should be neat.

Mark 4 is given for good assimilation of the syllabus material and ability to navigate in it, conscious application of knowledge to the solution of the problem.

Mark 3 treats partial ability to apply theoretical knowledge to the solution of practical problems, if the task is partially completed; the student's responses demonstrated an understanding of the basic material provisions of the academic discipline.

Mark 2 is given for mastering a large piece of the material, however, if a student solves the problem without sufficient understanding of the uses of educational materials and cannot correctly perform all the tasks.

Mark 1 is given for learning a sufficient piece of material, however, if a student solves the problem without sufficient understanding of the uses of the educational materials and cannot correctly perform all the tasks.

Mark 0 – 0.5 is given for the failure to do the task in general.

Diagnostic tasks (maximum score is 8 points).

Mark 8 is given for full assimilation of the syllabus material and the ability to navigate in it, conscious application of knowledge to the solution of

practical situations. When performing diagnostic tasks the student must draw correct conclusions about the proposed situation and formulate his own recommendation to improve the problem. The design of the completed task should be neat.

Mark 7 is given for full assimilation of the syllabus material and the ability to navigate in it, conscious application of knowledge to the solution of practical situations. When performing diagnostic tasks the student must draw correct conclusions about the proposed situation. The design of the completed task should be neat.

Mark 6 is given for full assimilation of the syllabus material and the ability to navigate in it, conscious application of knowledge to the solution of the problem. The design of the completed task should be neat.

Mark 5 is given for good assimilation of the syllabus material and ability to navigate in it, conscious application of knowledge to the solution of the problem. The design of the completed task should be neat.

Mark 4 treats partial ability to apply theoretical knowledge to the solution of practical problems, if the task is partially completed; the student's responses demonstrated an understanding of basic material provisions of the academic discipline.

Mark 3 treats partial ability to apply theoretical knowledge to the solution of practical problems, if the task is partially completed; the student's responses did not demonstrate full understanding of the basic material provisions of the academic discipline.

Mark 2 is given for acquiring a large piece of the material, however, if a student solves a problem without sufficient understanding of the uses of educational materials and cannot correctly perform all the tasks.

Mark 1 is given for mastering a sufficient piece of the material, however, if a student solves a problem without sufficient understanding of the uses of educational materials and cannot correctly perform all the tasks.

Mark 0 – 0.5 is given for the failure to do the task in general.

Diagnostic tasks (maximum score is 10 points).

Mark 10 is given for full assimilation of the syllabus material and the ability to navigate in it, conscious application of knowledge to solution of practical situations. When performing diagnostic tasks the student must draw correct conclusions about the proposed industrial situation and formulate his own recommendation to improve the problem. The design of the completed task should be neat.

Mark 9 is given for full assimilation of the syllabus material and the ability to navigate in it, conscious application of knowledge to solution of the practical situations. When performing diagnostic tasks the student must draw correct conclusions about the proposed situation. The design of the completed task should be neat.

Mark 8 is given for full assimilation of the syllabus material and ability to navigate in it, conscious application of knowledge to solution of the the problem. The design of the completed task should be neat.

Mark 7 is given for good assimilation of the syllabus material and ability to navigate in it, conscious application of knowledge to solution of the problem.

Mark 6 treats partial ability to apply theoretical knowledge to solution of the practical problems, if the task is partially completed; the student's responses demonstrated an understanding of the basic material provisions of the academic discipline.

Mark 5 treats partial ability to apply theoretical knowledge to solution of the practical problems, if the task is partially completed; the student's responses did not demonstrate full understanding of the basic material provisions of the academic discipline.

Mark 4 treats partial ability to apply theoretical knowledge to solution of the practical problems, if the task is partially completed; the student's responses demonstrated partial understanding of the basic material provisions of the academic discipline.

Mark 3 is given for mastering a large piece of the material, however, if a student solves a problem without sufficient understanding of the uses of educational materials and cannot correctly perform all the tasks.

Mark 2 is given for mastering a sufficient piece of the material, however, if a student solves a problem without sufficient understanding of the uses of educational materials and cannot correctly perform all the tasks.

Mark 0 – 1 is given for the failure to do the task in general.

Heuristic tasks (maximum score is 16 points).

Mark 16 is given for deep knowledge of the syllabus material, the solution represents the knowledge of both the recommended and additional literature, a creative approach, a clear knowledge of the concepts, methods, techniques, tools and financial sciences, ability to use them for solving specific practical problems and situations. In the performance of the heuristic

problem a student must provide a version of the proposed solution to the situation and draw appropriate conclusions. The design of the task should be neat, logical and consistent.

Mark 15 is given for deep knowledge of the syllabus material, the solution represents the knowledge of the recommended and additional literature, a creative approach, a clear knowledge of the concepts, methods, techniques, tools and financial sciences, ability to use them for solving specific practical problems and situations. The design of the tasks should be neat, logical and consistent.

Mark 14 is given for good knowledge of the syllabus material, the solution represents the knowledge of the recommended and additional literature, a creative approach, a clear knowledge of the concepts, methods, techniques, tools and financial sciences, ability to use them for solving specific practical problems and situations. The design of the tasks should be neat, logical and consistent.

Mark 13 is given for significant knowledge of the syllabus material, the solution represents the knowledge of the recommended and additional literature, a creative approach, a clear knowledge of the concepts, methods, techniques, tools and financial sciences, ability to use them for solving specific practical problems and situations. The design of the tasks should be neat, logical and consistent.

Mark 12 is given for full assimilation of the syllabus material and ability to navigate in it, conscious application of knowledge to solution of the problem of heuristic, minor mistakes (i.e. the approach to solving the problems is true, but there were inaccuracies in the calculation of certain parameters), or not quite complete results obtained by solving the problem. The design of the completed task should be neat.

Mark 11 is given for full assimilation of the syllabus material and ability to navigate in it, good application of knowledge to solution of the problem of heuristic, some mistakes (i.e. the approach to solving the problems is true, but there were insignificant mistakes in the calculation of certain parameters), or not quite complete results obtained by solving the problem. The design of the completed task should be neat.

Mark 10 is given for full assimilation of the syllabus material and ability to navigate in it, good application of knowledge to solution of the problem of heuristic, mistakes (i.e. the approach to solving problems is true, but there were mistakes in the calculation of certain parameters), or not quite complete results obtained by solving the problem. The design of the completed task should be neat.

Mark 9 is given for the ability to apply theoretical knowledge to solution of the problem of heuristic, if the majority of the tasks are performed, and the student's response demonstrated understanding of the conceptual material of the academic discipline.

Mark 8 is given for the ability to apply theoretical knowledge to solution of the problem of heuristic, if half of the tasks were performed, and the student's response demonstrated understanding of the conceptual material of the academic discipline.

Mark 7 is given for the ability to apply theoretical knowledge to solution of the problem of heuristic, if the basics of the tasks are performed, and the student's response demonstrated understanding of the conceptual material of the academic discipline.

Mark 6 is given for mastering a large piece of the material, however, if a student solves the heuristic problem without sufficient understanding of the uses of the educational materials and cannot correctly perform all the tasks.

Mark 5 is given for mastering a significant piece of the material, however, if a student solves the heuristic problem without sufficient understanding of the uses of the educational materials and cannot correctly perform all the tasks.

Mark 4 is given for mastering a piece of the material, however, if a student solves the heuristic problem without sufficient understanding of the uses of the educational materials and cannot correctly perform all the tasks.

Mark 3 is given for a partial ability to apply theoretical knowledge to solution of the practical problems, for the failure to master a large piece of the material, if the student cannot correctly perform the task facing difficulties in the analysis of economic phenomena and processes.

Mark 2 is given for a partial ability to apply theoretical knowledge to solution of the practical problems, for mastering a small piece of the material, if the student cannot correctly perform the task facing many difficulties in the analysis of economic phenomena and processes.

Mark 0 – 1 is given for the failure to do the task in general.

The minimum needed score for the exam is 25.

9. Distribution of student's points

The system of evaluation of the level of students' professional competences is given in Table 9.1.

Table 9.1

The system of evaluation of the level of students' professional competences

Week	Hours	Form of studying			Assessment	
					Form of control	Maximal point
1	2	3			4	5
Module 1. Money and credit						
1	in class	2	Lecture	Theme 1. The essence of money and its functions. Theories of money	Work at the lecture	0.5
		2	Seminar	The historical aspect of money. Money as a personal item. The main functions of money and their characteristics. Different interpretations of the nature of money	Active participation in the seminar	0.5
	ind.	4	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
2	in class	2	Lecture	Theme 2. Money turnover and cash flows	Work at the lecture	0.5
		2	Seminar	Metallistic theory and its essence. Key provisions of the nominalistic theory of money. Quantity theory of money. Characteristics of modern monetarism. Theories of inflation	Active participation in the seminar	0.5
					Test (Theme 1, Theme 2)	4
	ind.	6	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
				Preparation for the test		
				Preparation for the presentation		
3	in class	2	Lecture	Theme 3. The monetary system	Work at the lecture	0.5
		2	Practice	Training "Financial calculations"	Active participation in the practice	0.5
	ind.	6	Preparation for lessons	Search, selection and study of the literature for the theme	Check of the home task	2
				Performance of calculations according to the topic		

Table 9.1 (continuation)

1	2		3		4	5
4	in class	2	Lecture	<i>Theme 3.</i> The monetary system	Work at the lecture	0.5
		2	Seminar	The concept and elements of the monetary system. Monetary reform and methods. Inflation and its types. The concept of emissions. Emissions in the capitalist countries. Deposit-credit issue. Monetary policy	Active participation in the seminar	0.5
					Test (Theme 3)	2
	ind.	6	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
				Preparation for the test		
				Preparation for the presentation		
5	in class	2	Lecture	<i>Theme 4.</i> The essence of credit and credit mechanism	Work at the lecture	0.5
		2	Practice	Training "Inflation and its measurement"	Active participation in the practice	0.5
	ind.	6	Preparation for lessons	Search, selection and study of the literature for the theme	Check of home the task	2
				Performance of calculations according to the topic		
6	in class	2	Lecture	<i>Theme 4.</i> The essence of credit and credit mechanism	Work at the lecture	0.5
		2	Practice	Training "Determination of profitability of debt securities"	Active participation in the practice	0.5
					Test (Theme 4)	2
	ind.	5	Preparation for lessons	Search, selection and study of the literature for the theme	Check of the home task	2
				Preparation for the test		
				Performance of calculations according to the topic		

Table 9.1 (continuation)

1	2		3		4	5
7	in class	2	Lecture	Theme 5. Credit system	Work at the lecture	0.5
		2	Seminar	Types of banks. Functions of the banking system. Formation and development of the banking system of Ukraine	Active participation in the seminar	0.5
	ind.	6	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
				Preparation for the presentation		
Module 2. Basics of finance						
8	in class	2	Lecture	Theme 6. The essence and purpose of finance	Work at the lecture	0.5
		2	Seminar	The emergence of finances, their relationship with the state and development of commodity-money relations. Economic content of finance	Active participation in the seminar	0.5
					Test (Theme 5, Theme 6)	4
	ind.	6	Preparation for lessons	Search, selection and study of the literature for the theme	Check of the essay	2
				Preparation for the test		
				Preparation of an essay on the topic "Relationship between finance and other value categories"		
9	in class	2	Lecture	Theme 6. The essence and purpose of finance	Work at the lecture	0.5
		2	Seminar	The need of finance in terms of commodity production	Active participation in the seminar	0.5
		5	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
				Preparation for the presentation		

Table 9.1 (continuation)

1	2	3			4	5
10	in class	2	Lecture	<i>Theme 7. The financial system of Ukraine</i>	Work at the lecture	0.5
		2	Seminar	The financial system of Ukraine. State financial system in developed countries. The structure of the financial system of Ukraine. The essence and importance of financial policy. Financial mechanism and its role in the implementation of financial policies. Financial policy of Ukraine at present	Active participation in the seminar	0.5
					Test (Theme 7)	2
	ind.	6	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
				Preparation for the test		
				Preparation for the presentation		
11	in class	2	Lecture	<i>Theme 8. State budget</i>	Work at the lecture	0.5
		2	Practice	Training "Scheduling of credit repayment"	Active participation in the practice	0.5
	ind.	5	Preparation for lessons	Search, selection and study of the literature for the theme	Check of the home task	2
				Performance of calculations according to the topic		
12	in class	2	Lecture	<i>Theme 9. State revenues</i>	Work at the lecture	0.5
		2	Seminar	Content and significance of state finance	Active participation in the seminar	0.5
					Test (Theme 8, Theme 9)	4
	ind.	6	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
				Preparation for the test		
				Preparation for the presentation		
13	in class	2	Lecture	<i>Theme 10. State expenditures</i>	Work at the lecture	0.5
		2	Seminar	State trust funds	Active participation in the seminar	0.5
	ind.	5	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
				Preparation for the presentation		

Table 9.1 (the end)

1	2		3		4	5
13	in class	2	Lecture	<i>Theme 10.</i> State expenditures	Work at the lecture	0.5
		2	Seminar	State trust funds	Active participation in the seminar	0.5
	ind.	5	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
				Preparation for the presentation		
14	in class	2	Lecture	<i>Theme 11.</i> Finances of enterprises	Work at the lecture	0.5
		2	Practice	Practical task "Overdraft"	Active participation in the practice	0.5
	ind.	6	Preparation for lessons	Search, selection and study of the literature for the theme	Check of the home task	2
15	in class	2	Lecture	<i>Theme 12.</i> Finance in foreign economic relations	Work at the lecture	0.5
		2	Seminar	The essence of finance in foreign economic relations	Active participation in the seminar	0.5
					Test K7 (Theme 10, Theme 11, Theme 12)	6
	ind.	5	Preparation for lessons	Search, selection and study of the literature for the theme	Presentation	1
				Preparation for the presentation		
Session	in class	2	Pre-examination consultation	Solving practical problems	Final control	40
		3	Exam	Solving of the exam card problems		
	ind.	16	Preparation for the exam	Reviewing the modules material		
Total hours	162				Maximal point	100

The maximal number of points which a student can get during a week by forms and methods of studying is given in Table 9.2.

Table 9.2

Distribution of points by weeks

Week	Lecture	Practice	Homework	Essay	Presentation	Test	Total
1	0.5	0.5			1	2	4
2	0.5	0.5			1	2	4
3	0.5	0.5	1		1	2	5
4	0.5	0.5	1				2
5	0.5	0.5	2			2	5
6	0.5	0.5	2				3
7	0.5	0.5			1	2	4
8	0.5	0.5		1	1	1	4
9	0.5	0.5		1		1	3
10	0.5	0.5			1	2	4
11	0.5	0.5	2			2	5
12	0.5	0.5			1	2	4
13	0.5	0.5			1	2	4
14	0.5	0.5	2			2	5
15	0.5	0.5			1	2	4
16 – 18							40
	7.5	7.5	10	2	9	24	100

The final mark for the academic discipline "Finance, Money and Credit" is calculated on the 100-point scale according to the qualification requirements for students of training direction "Management" (Table 9.3).

Table 9.3

Evaluation scale

Total score on a 100-point scale	ECTS assessment scale	Assessment on the national scale
90 – 100	A	excellent
82 – 89	B	good
74 – 81	C	
64 – 73	D	satisfactory
60 – 63	E	
35 – 59	FX	unsatisfactory
1 – 34	F	

10. Recommended literature

10.1. Main

1. Friedman M. A Monetary History of the United States, 1867–1960 / M. Friedman, A. J. Schwartz. – Princeton : Princeton University Press, 1963. – 860 p.
2. Gurley J. Financial Aspects of Economic Development / J. Gurley, E. Shaw // *American Economic Review*. – 2006. – September. – P. 515–538.
3. Berentsen A. Money, Credit, and Banking / A. Berentsen, G. Camera, C. Waller // *Journal of Economic Theory*. – 2007. – Vol. 135. – P. 171–195.
4. Kahn C. Why Pay? An Introduction to Payment Economics / C. Kahn, W. Roberds // *Journal of Financial Intermediation*. – 2009. – Vol. 18 (1). – P. 1–23.
5. Li Y. Currency and Checking Deposits as Means of Payment / Y. Li // *Review of Economic Dynamics*. – 2011. – Vol. 14 (2). – P. 403–417.

10.2. Additional

6. Gomis-Porqueras P. Optimal Monetary and Fiscal Policies in a Search Theoretic Model of Monetary Exchange / P. Gomis-Porqueras, A. Peralta-Alva // *European Economic Review*. – 2010. – Vol. 54. P. 331–344.
7. Гриньова В. М. Фінанси підприємств : навч. посібн. Ч. 2 / В. М. Гриньова, В. О. Коюда, Т. І. Лепейко. – Х. : Вид. ХДЕУ, 2001. – 228 с.
8. Lepeyko T. Finance of Enterprises : Textbook / T. Lepeyko, O. Myro-nova, T. Blyznyuk. – Kh. : Publishing House of KhNEU, 2010. – 248 p.

10.3. Internet resources

9. Сайт Верховної Ради України. – Режим доступу : www.rada.gov.ua.
10. Нормативна база України [Електронний ресурс]. – Режим доступу : www.nau.kiev.ua.
11. Ліга Бізнес-Інформ [Електронний ресурс]. – Режим доступу : www.liga.net.
12. РосБізнесКонсалтинг [Електронний ресурс]. – Режим доступу : www.rbk.com.
13. Електронна бібліотека освітніх та просвітницьких видань [Електронний ресурс]. – Режим доступу : <http://www.iqlib.ru>.
14. Економіко-правова бібліотека [Електронний ресурс]. – Режим доступу : <http://www.vuzlib.net>.

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for full-time students
of training direction 6.030601 "Management"

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