



**BANKING AND MONETARY SYSTEM**

<b>Credit points</b>	4 CP		
<b>Duration of the course</b>	3 sem.		
<b>Study course annotation</b>	The study course offers insights into the theoretical foundations of money, banking and credit policy, an in-depth idea of the operation of the banking system in Latvia. The study course provides knowledge about the principles of commercial banking and the procedures for the provision of the most important banking services, explaining the regulatory framework for banking in the European Union and the Republic of Latvia.		
<b>Aim of the study course</b>	Provide the theoretical foundations of money, banking and credit policy, deepen students' understanding of the operation of the banking system in Latvia. Provide knowledge about the principles of operation of commercial banks and the procedures for performing the most important banking services.		
<b>Study course results</b>	<b>Knowledge</b>	<b>Skills</b>	<b>Competences</b>
	<ul style="list-style-type: none"> <li>Understand the theoretical guidelines of banks and the principles of commercial banking,</li> <li>Show an understanding of the most important concepts and regularities,</li> <li>Know economic regularities at both micro and macro levels.</li> </ul>	<ul style="list-style-type: none"> <li>Students know the principles of operation of the banking system,</li> <li>are able to identify optimal solutions for the choice of banking services in the business environment;</li> <li>are able to apply the gained theoretical and practical knowledge, ensuring their competitiveness in the labour market;</li> <li>know how to apply the knowledge gained in the programme in various life and business situations, working in a team or individually.</li> </ul>	<ul style="list-style-type: none"> <li>Students are able to independently find, select, identify and analyse topical issues in the banking system;</li> <li>are able to prepare and present projects related to the use of banking services in a qualified manner;</li> <li>are able to conduct research activities and research on the issues of operation and development of the banking system, to interpret and analyse their results.</li> </ul>
<b>Study course content</b>	<b>Topics</b>		
	1	Latvian banking system, objectives and functions of the Central Bank	
	2	Description of commercial banks' activities	
	3	Passive operations of commercial banks	
	4	Active operations of commercial banks	
	5	Profit and liquidity of commercial banks	
	6	Bank risk management	
<b>Form of assessment:</b>	Exam		
<b>Obligatory literature:</b>	<ol style="list-style-type: none"> <li>Lawrence S. Ritter, William L. Silber, Gregory F. Udell Principles of Money, Banking &amp; Financial Markets, 1999.</li> <li>Salin, P. The international monetary system and the theory of monetary systems / Pascal Salin. - Edward Elgar publishing, 2016. - 272 p. (CD).</li> <li>Modern money theory. Second edition / L.Randall Wray. - Palgrave Macmillan, 2015. - 322 p. + CD.</li> </ol>		



**Additional reading:**

1. Banking and monetary policy in Eastern Europe: the first ten years. Basingstore. 2002. 225 p.
2. Financial sector policy for developing countries. Washington. 2002. 250 p.
3. Frenkel, J.A. The economics of exchange rates / Jacob A.Frenkel. - Addison-Wesley Publishing Company, 1978. - 218 p.
4. Money and finance in the transition to a market economy / Istvan Abel. - Edward Elgar, 1998. - 211 p.
5. Rose, P.S. Commercial Bank Management / Peter S. Rose. – Richard D. IRWIN, Inc., 1991.
6. Salin, P. The international monetary system and the theory of monetary systems / Pascal Salin. - Edward Elgar publishing, 2016. - 272 p. (CD).
7. Soros, G. The alchemy of finance / George Soros. - John Wiley& Sons, Inc, 1994. - 378 p.
8. Szulcryn, Kenneth R. Money, Banking, and International Finance / Kenneth R. Szulcryn. - 2nd ed. - 2014. - 291 p.: fig. - (+CD)
9. Wray, R.L. Modern money theory. Second edition / L.Randall Wray. - Palgrave Macmillan, 2015. - 322 p. + CD.

**Other sources of information:**

1. LB monetary bulletins <http://www.bank.lv>
2. Financial and Capital Market Commission <http://fktk.lv>
3. Financial Times [www.ft.com](http://www.ft.com)
4. Forbes (Latvia) magazine
5. BIA library databases: EBSCO, Scopus

Changes and additions to the program and literature list are possible during the study process