

FINANCIAL SYSTEM

Credit points	4 CP		
Duration of the course	3 sem.		
Study course annotation	The course provides significant potential for the “financial” and “financial system” categories, including discussable issues of structure and function in these categories; the structure and content of the financial system is considered, including the institutional subsystem (state budget and local government budget) and the subjective subsystem (commercial and non-commercial spheres and finances of public organisations); the general principles of tax and fiscal policy are taken into account in the formation of the state budget system; special attention is paid to changes in the public sector; the role and significance of the budget system and state loans in the mechanism of macroeconomic regulation in Latvia and the EU as a whole is determined.		
Aim of the study course	The aim of the course is to provide students with knowledge and understanding of the processes related to the formation and organisation of the financial system, the use of public financial policy instruments, state regulation of financial relations, as well as financial relations management in all areas and stages of the financial system, social and economic, political and legal conditions for its functioning.		
Study course results	Knowledge	Skills	Competences
	Economic and financial theories, regularities of budget processes and fiscal policy At the application level: Quantitative and qualitative analysis methods, analysis and forecasting of macroeconomic and fiscal processes, industry actual issues	<ul style="list-style-type: none"> • Summarise budget indicators; • Structure economic development trends; • Analyse the regularities and tendencies of economic and financial development; • Interpret the economic situation and development trends of certain financial market segments; 	<ul style="list-style-type: none"> • Ability to analyse financial system development trends; • Ability to independently assess and analyse complex macroeconomic problems, justify decisions and, if necessary, perform additional analysis; • Ability to use quantitative and qualitative analysis methods
Study course content	Topics		
	1	Theories of public finance and law	
	2	Financial mechanism. Financial policy	
	3	Financial planning and forecasting	
	4	Budget preparation and budget system. Budget classification	
	5	State budget revenue and expenditure. Municipal budget revenue and expenditure	
	6	The budget process and the budget of the European Union: the structure of revenue and expenditure	
	7	Fiscal policy and its role in economic development	
	8	Banking, insurance companies, investment funds, pensions funds, stock exchanges	
	9	Principles of organizing financing of economic entities in various fields of activity. Finance of commercial and non-profit organizations. Household finances.	
Form of assessment:	Differentiated written assessment		
Obligatory literature:	1. Frank Milne . Finance Theory and Asset Pricing/ Oxford University Press, 2003/, 224-232/, ISBN 0199261067 2. Finance. A theoretical introduction / David E.Allen, - Martin Robertson, Oxford. - 323 p.		



Additional reading:

1. Financial Sector Assessment. A Handbook / The International Bank for Reconstruction and Development; The World Bank; The International Monetary Fund. - Washington: The World Bank; International Monetary Fund, 2005. - 459 p.: tab.
2. Financial Statements. Revised and Expanded Edition/ Thomas R .Ittelson.-Career Press, Pompton Plains NJ, 2009. -285 p. ISBN 978160163230, www.biblio.bsa.edu.lv
3. Money, Banking, and International Finance / Kenneth R. Szulczyk. - 2nd ed. - 2014. - 291 p.: fig. - (CD)

Other sources of information:

- Global Development Finance/ Mobilizing Finance and Management- Analysis and Statistical Appendix : The World Bank- 2015-2019, ISBN 13;978-0-8213-6213-6 www.biblio.bsa.edu.lv
- www.biblio.bsa.edu.lv
- Finances ([www/i Finances.LV](http://www.i.Finances.LV))
- www.em.gov.lv
- www.fm.gov.lv
- <http://ec.europa.eu/eurostat>
- BIA library databases: EBSCO, SCOPUS

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