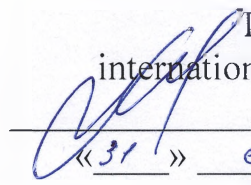


**STATE HIGHER EDUCATION
UZHGOROD NATIONAL UNIVERSITY
FACULTY OF INTERNATIONAL ECONOMIC RELATIONS
Department of international economic relations**

"APPROVED"

 Dean of the Faculty of
international economic relations
prof. M. Palinchak
«31» септ 2021

SYLLABUS OF THE COURSE

THEORY OF MONEY AND MONEY CIRCULATION
(code and name of the course)


Level of higher education	first (bachelor)
Field of knowledge	29 International relations
Specialty	292 International Economic Relations
Subject specialty	
Specialization	
Educational program	"International Economic Relations"
Discipline status is required	
Language of instruction is	English

Syllabus of the discipline course «THEORY OF MONEY AND MONEY CIRCULATION» International Economic Relations for Higher Education Applicants in the Knowledge 29 International relations Specialty 292 International Economic Relations Educational Program "International Economic Relations"

Developer: Yaroslav Drozdovskyy, Associate Professor, Candidate of Economic Sciences, Associate Professor of the Department of International Economic Relations


The syllabus was reviewed and approved at a meeting of the Department of International Economic Relations

Protocol № 1 «30» серпень 2021

Head of the Department  V. Prykhodko

Approved by the Scientific and Methodological Commission of the Faculty of International Economic Relations

Protocol № 1 «31» 08 2021

Chairman of the Scientific and Methodological Commission  E. Erfan

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1.DESCRPTION OF THE COURSE

Name of indicators	Breakdown of hours by curriculum	
	Full-time education	Part-time education
Number of credits –3 (semester 3);	Year of preparation:	
Total hours–	34	-
Total modules – 2	Semester:	
Weekly hours for full-time study: classroom - student's independent work –	2	-
	Lectures	
	20	-
	Practical:	
	10	-
Type of final control: module	Laboratory hours	
	-	-
Form of final control: credit	Individual work:	
		-

2. PURPOSE OF THE COURSE

The **purpose** of studying the discipline «THEORY OF MONEY AND MONEY CIRCULATION» is to master basic knowledge of the theory of money and credit, to master the natural functioning of the money market as a theoretical basis of state monetary policy and the development of banking.

The **subject** of the course covers monetary and credit market relations, which is revealed through the essence, function of money, money circulation, money and currency market, inflation and monetary reforms, international monetary institutions.

The **task** of the discipline includes the study of the nature, function of the origin and role of money, credit in a market economy, patterns and specifics of the money market, the structure and practical principles of the monetary system, patterns of development and functioning of the foreign exchange market.

3. TOOLS OF DIAGNOSIS AND CRITERIA FOR EVALUATION OF LEARNING RESULTS

Assessment tools and methods for demonstrating learning outcomes

Means of assessment and methods of demonstrating learning outcomes in the discipline are:

- credit;
- exam;
- tests;
- essay;
- presentation of the results of completed tasks.

Forms of control and criteria for evaluating learning outcomes

Forms of current control: oral examination of topics; solving cases on topics.

Form of modular control: tests.

Form of final semester control: credit

4. DISTRIBUTION OF POINTS RECEIVED BY HIGHER EDUCATION APPLICANTS (MODULE 1,2)

Ongoing assessment and independent work						Modular control work	Sum
Module 1			Module 2				
T1	T2	T3	T1	T2	T3	50	100
10	10	10	10	10	10		

T1,T2 - topics

EVALUATION OF INDIVIDUAL TYPES OF EDUCATIONAL WORK IN THE COURSE

Type of activity of the higher education applicants	Module 1		Module2		Module...	
	number	Maximum points	number	Maximum points		
Practical (seminar) lessons		10		10		
Laboratory classes (admittance, performance and protection)		-		-		
Computer-based thematic evaluation		-		-		
Written testing with thematic		10		10		
Presentation		10		10		
Abstract		-		-		
Essay		10		10		
Modular control work		50		50		
Together		100		100		

EVALUATION CRITERIA FOR SUMMARY SEMESTER CONTROL

Sum of points for all activities	Score on a national scale		Score on a scale ECTS
	For exam, course work, practice	For the credit	
90-100	excellent	passed	A
82-89	good		B

74-81	good		C
64-73	satisfactorily		D
60-63	satisfactorily		E
35-59	not satisfactory with the possibility of reassembly	Don't passed. You can take the credit again	FX
0-34	not satisfactory with mandatory re-study of the discipline	Don't passed. Repetition of study of discipline.	F

5. PROGRAM OF THE EDUCATIONAL COURSE

5.1 CONTENTS OF THE COURSE

Module 1 (semester I)

Topic 1. The essence and functions of money

The origin of money. Rationalist and evolutionary concepts of the origin of money. The emergence of money as an objective consequence of the development of commodity production and exchange. The role of the state in the creation of money.

The essence of money. Money as a general equivalent and a completely liquid asset. Money as a special commodity, features of exchange and consumer value of money as a commodity. Specific and general consumer value of monetary goods, the formation of contradictions between them and its solution in inferior money. The contradiction between the real and nominal value of money and its solution in defective money. Money as a form of social relations. Money as money and money as capital. Relationship of money with other economic categories.

Forms of money and their evolution. The cause and mechanism of the evolution of forms of money from ordinary basic necessities to precious metals. Causes and mechanism of demonetization of gold. Inferior forms of money and their credit nature. The evolution of credit money from government (treasury bonds to central bank liabilities). Modern credit accounting. The role of the state in approving credit obligations as money.

The cost of money. The specific nature of the value of money. Cost of money and time. The impact of changes in the value of money on economic processes. The price of money as capital: the opportunity cost of keeping money and interest.

Functions of money. The concept of the function of money. The function of the measure of value, its essence, scope. Price scale. The ideal nature of the measure of value. Price as a monetary expression of the value of goods. Measure of value in the face of inflation.

The function of the means of circulation, its essence, scope; the reality and quantification of money in this function. Money as a means of circulation in the face of inflation.

The function of the means of payment, its essence, the difference from the function of the means of circulation, the scope of use. The impact of inflation on money as a means of payment.

The function of the means of accumulation, its essence, scope. Influence of time and inflation on the function of the means of accumulation.

World money. The essence of world money. The evolution of gold as world money. Prerequisites for the use of national and collective currencies as world money.

The relationship of money functions. Discussions on the number of functions of money.

Qualitative properties of money. Market development and complication of its requirements for money quality. Value stability as a basic qualitative characteristic of money. Economy, durability, homogeneity, reliability and portability of money.

The role of money in a market economy. Qualitative and quantitative aspects of the impact of money on economic and social processes. Monetary environment as a factor influencing the material interests and productive activity of economic entities. The impact of changes in the amount of money on the main macro- and microeconomic processes. Money as a tool for regulating the economy. Changing the impact of quantitative parameters of money on the economy at short and long term intervals.

Topic 2. Cash turnover and cash flows

The essence of money circulation as a process of money movement. Cash payments as elementary components of money turnover. The main subjects of money circulation. The main markets that are interconnected by money turnover. Aggregate money turnover as a macroeconomic phenomenon and money turnover at the microeconomic level, their unity and differences. Economic basis of money turnover. Unity and continuity as defining features of money turnover.

The model of aggregate money turnover. Turnover of products and income as a basis for building money turnover. Grouping of turnover subjects in the model. Cash flows and their relationship in the model. National income and national product as determining flows of cash flow. Injection streams and loss streams. Balancing money turnover.

The structure of money turnover. Cash and non-cash sectors of money circulation. Money circulation sector, fiscal and credit sectors.

The mass of money that serves the money supply: the concept, composition and factors that determine change. Indicators of money supply, monetary aggregates, their characteristics, monetary base, its composition.

Speed of money: concepts, factors that determine the speed of volume. The effect of speed on the mass and stability of money. The procedure for determining the velocity of money.

The law of the amount of money needed for turnover, its essence, requirements and consequences of violation.

The mechanism of change in the mass of money in circulation. Primary issue of the central bank. Secondary issue of deposit money of commercial banks.

Monetary multiplier, its mechanism, multiplier indicators and factors influencing its level.

Topic 3. Money market

The essence of the money market. Money as an object of purchase and sale. Money market actors and instruments. Features of manifestation in the money market of the main market features - demand, supply, prices.

Institution money market model. Sectors of direct and indirect financing. Flows and entities in both sectors of the money market. Banks and non-bank financial and credit structures as financial intermediaries of the money market.

The structure of the money market. Classification criteria. Money market and capital market. The securities market and the foreign exchange market as components of the money market.

Demand for money. The essence and forms of manifestation of money. Factors determining the change in money.

Money supply. The essence and mechanism of money supply formation. Factors determining the change in the money supply.

Graphic model of the money market. Money market equilibrium and interest. Factors determining the equilibrium of the money market.

Savings and investments in the mechanism and the money market. Household savings as the only source and upper limit of net investment. The impact of interest rates on savings and investments. The impact of the budget deficit on the balance of savings and investment.

Topic 4. Monetary systems.

The essence of the monetary system, its purpose and place in the economic system of the country. Elements of the monetary system.

The essence of the monetary system, its purpose and place in the economic system of the country. Elements of the monetary system.

The main types of monetary systems, their evolution. Systems of metal and credit circulation.

State regulation of money circulation as the main purpose of the monetary system. The Central Bank as a body of state regulation of the monetary sphere. Methods of regulation - methods of direct influence and methods of indirect influence. Fiscal-budgetary and monetary policy in the system of state regulation of the economy. Emission income and monetization of the budget deficit.

Monetary policy of the central bank - the essence, types, strategic goals, intermediate and tactical objectives. Monetary regulation tools.

Module II (semester I)

Topic 5. Inflation and monetary reforms

The essence of the manifestation and patterns of inflation.

Causes of inflation. Demand inflation and cost inflation.

Economic and social consequences of inflation. The impact of inflation on investment and production development. Inflation and the economic cycle.

State regulation of inflation. Anti-inflation policy.

The essence of monetary reforms. Types of monetary reforms and methods of their classification.

Topic 6. Currency market and currency systems

The essence of the currency, purpose and scope. Types of currencies: national, foreign, collective, non-convertible. Factors and values of currency convertibility. Features of currency relations.

Currency market: essence, objects and subjects, price, infrastructure. Factors influencing the foreign exchange market. Characteristics of the main operations in the foreign exchange market.

Exchange rate: essence, bases of formation and factors of influence. Types of exchange rates. Exchange rate regulation.

Currency systems and monetary policy. Concepts, purpose and elements of the national monetary system. Currency regulation and monetary policy: exchange rate, accounting, intervention.

Balance of payments and gold and foreign exchange reserves. The essence, construction, purpose and use of the balance of payments. The essence, purpose and use of gold and foreign exchange reserves.

World and international monetary systems. The concept of the world monetary system, its elements and stages of development, Bretton Woods and Jamaican world monetary systems. The concept of the international monetary system. Formation of the European Monetary System, its transformation into the European Monetary Union with a common currency and a single central bank.

International money and capital markets: essence, purpose, tools. The main world centers of money and capital markets. Euromarket, its purpose and types.

Topic 7. Quantitative theory of money and modern monetarism

Abstract and applied (monetarist) direction in the theory of money.

Classical quantitative theory of money, its basic postulates. Economic reasons for the emergence of a quantitative approach to the study of the role of money. Evolution of the postulates of quantitative theory. Nominalistic interpretation of the essence of money by followers of quantitative theory. Quantitative factor in the works of A. Smith, D. Ricardo, K. Marx. "Transactional" version of I. Fisher's quantitative theory.

Neoclassical version of the development of quantitative theory of money. "Conjunctural version of M. Tugan-Baranovsky's theory of money". "Cambridge version" of quantitative theory.

D. Keynes' contribution to the development of quantitative theory of money. Changing emphasis in assessing the role of the state in economic regulation and the mechanism of influence on the economy. "Transmission mechanism" in Keynes's interpretation. The inevitability of inflationary consequences of the implementation of Keynesian concepts.

Modern monetarism as an alternative direction of quantitative theory. Differences in monetary interpretations of the role of the state in regulating the economy. M. Friedman's contribution to the development of monetary policy based on the neoclassical version of quantitative theory.

Convergence of the positions of monetarists and neo-Keynesians in their recommendations on monetary policy in modern conditions. Keynesian-neoclassical synthesis.

Topic 8. Financial intermediaries of the money market

The essence, purpose and types of financial intermediation.

Banks as the leading subjects of financial intermediation. The essence and functions of banks.

Banking system. The concept of the banking system, its purpose and function. Specific features of the banking system. Principles of building a banking system

Non-bank financial institutions. Similarities and differences between their activities and the activities of banks. Types and characteristics of the main types of non-bank financial institutions: insurance companies, pension funds, investment funds, etc.

Topic 9. Central banks

Purpose, status and basics of the organization of the central bank. Independent status of the central bank, its significance and forms of implementation.

Central bank operations. Characteristics of the issuance operation, operations of the bank of banks, banking regulation and supervision of the financial agent of the government, the head of monetary policy.

Origin and development of central banks. Factors that led to the emergence of central banks. Features of development of central banks of England, the USA. Creation of the European System of Central Banks.

Topic 10. International monetary institutions

IMF. World Bank Group. Fundamentals of organization, structure and purpose of the WB. forms of cooperation of WB structures with Ukraine. Regional international credit and financial institutions. Establishment and appointment of the Black Sea Trade and Development Bank.

European Bank for Reconstruction and Development. Procedure for establishment, appointment and functions of the EBRD. Areas of cooperation with Ukraine.

Bank for International Settlements. Necessity and procedure for creating BIS. Bank functions. The role of BIS in the development of international cooperation in the monetary sphere.

5.2. STRUCTURE OF THE COURSE

Names of topics	Number of hours					
	Form of study: full-time					
	Total	including				
		lectu res	pract ical.	lab.w.	ind. w.	ind. w.
Semester 4						
Module 1.						
Topic 1. The essence and functions of money, the history of their development	3	2	1	-		
1.1 The origin and essence of money						
1.2 History of the development of natural things forms of money						
1.3 Functions of money						

1.4 The role of money in the economy						
Topic 2. Money turnover and its structure 2.1 Money turnover and its structure, turnover cash 2.2 Types of credit money 2.3 Features and principles of organization non-cash accounts 2.4 Form of non-cash accounts	3	2	1	-		
Topic 3. Money supply and the law of money circulation 3.1 Money supply and monetary aggregates 3.2 Velocity of money and indicator GDP monetization 3.3 The value of the amount of money needed for circulation 3.4 The mechanism of replenishment of the mass of money in circulation. Monetary multiplier	3	2	1	-		
Topic 4. Modern inflation and its features 4.1 The essence and types of inflation 4.2 Socio-economic consequences of inflation 4.3 Methods of stabilizing money circulation 4.4 Monetary reforms	3	2	1			
Topic 5. Monetary systems and their evolution 5.1 Essence, purpose and structure monetary system 5.2 Types of monetary systems and their evolution 5.3 Monetary policy	3	2	1			
Modular control work	2	2	-			
Total for the module				-		
Total for 1 semester	17	12	5	-		
Semester 4						
Module 1.						
Topic 6. Currency market and currency systems 6.1 The essence of the currency, its types, purpose and scope of use 6.2 The essence and modes of convertibility currency 6.3 Economic essence and structure foreign exchange market 6.4 Exchange rate and factors influencing	3	2	1			

him in modern conditions 6.5 Monetary system: essence and evolution 6.6 Economic essence and structure balance of payments						
Topic 7. Quantitative theory of money and modern monetarism 7.1. Classical quantitative theory of money, its basic postulates. 7.2. Neoclassical version of the development of quantitative theory of money. 7.3. D. Keynes's contribution to the development of quantitative theory of money. 7.4. Modern monetarism as an alternative direction of quantitative theory. 7.5. Keynesian-neoclassical synthesis. 7.6. Monetary policy of Ukraine in the light of modern monetarist theories.	3	2	1			
Topic 8. Financial intermediaries of the money market 8.1. The essence, purpose and types of financial intermediation. 8.2. Banks as the leading subjects of financial intermediation. The essence and functions of banks. 8.3. Banking system. 8.4. Non-bank financial and credit institutions.	3	2	1			
Topic 9. Central banks 9.1. Purpose, status and basics of the organization of the central bank. 9.2. Central bank operations. 9.3. Origin and development of central banks. 9.4. Formation of the central bank in Ukraine.	3	2	1			
Topic 10. International monetary institutions 10.1. International Monetary Fund. 10.2. World Bank Group. 10.3. Regional international credit and financial institutions. 10.4. European Bank for Reconstruction and Development. 10.5. Bank for international settlements.	3	2	1			
Modular control work	2	2	-			
Total for the module	17	12	5			
Total	34	24	10	-	-	

5.3. TOPICS OF PRACTICAL (SEMINAR, LABORATORY) LESSONS

№ 3/II	THE NAME OF THE TOPIC	Number of hours
		Full- time
1	Topic 1. The essence and functions of money, the history of their development.	1
2	Topic 2. Money turnover and its structure	1
3	Topic 3. Money supply and the law of money circulation	1
4	Topic 4. Modern inflation and its features	1
5	Topic 5. Monetary systems and their evolution	1
6	Topic 6. Currency market and currency systems	1
6	Topic 7. Quantitative theory of money and modern monetarism	1
6	Topic 8. Financial intermediaries of the money market	1
6	Topic 9. Central banks	1
6	Topic 10. International monetary institutions	1
	Total	10

6. MAIN LITERATURE

Mishkin, Frederic S. The economics of money, banking and financial markets /
Frederic S. Mishkin, Apostolos Serletis. 4th Canadian ed, Toronto, 2011

Robert E. Wright, Money and Banking NYU, 2012

Michael K. Salemi, Money and Banking What Everyone Should Know Course
Guide Book (2012)

Stephanie Kelton, The Deficit Myth: Modern Monetary Theory and the Birth of the
People's Economy, 2020

Dale K. Cline, Banking on Confidence. A Guidebook to Financial Literacy, 2015

Jesús Huerta de Soto, Money, Bank Credit, and Economic Cycles, 2012

Frederic S. Mishkin, Monetary Policy Strategy, 2007

Henri Kouam, Monetary Policy in the 21st Century. A primer for Inflation,
Economic Growth and Productivity, 2020

Dmitry Kondratov, Modern monetary policy in the European Union. Challenges and development trends, 2021