Course: Economic Theory
Lecture, examiner: professor Oleksandra Moskalenko

Exam Questions. Group MN-201i. 2021-2022 academic year

1. Economics as a social science and its evolution.
2. The subject of economic theory.
3. Genaral economic theory.
4. Mainstream in economic theory.
5. The main paradigms of economic theory: neoclassical, institutional-evolutionary, social economy, post-Keynesian economy, post-industrial.
6. Positive and normative economic analysis.
7. The main problems of the economy.
8. Limited economic resources.
9. The limit of production capacity.
10. Methodology of analysis of the main economic problems (inflation, unemployment, income level, economic stability, property relations, market and social justice, etc.).
11. Economic laws.
12. The law of growth of needs.
13. Needs, benefits and resources in the system of economic activity of society.
14. Forms of organization of production.
15. Stages of development of social production.
16. Capital, interest, and profit.
17. Elements of economic systems: productive forces, economic relations, management mechanism.
18. Classification of economic systems.
19. Self-regulated and culturally regulated economic systems.
20. Property as an institution of economic systems. Property relations. "Bundle of property rights".
21. The essence of the market, its functions and conditions of formation. The concept of the market. Market system.
22. The main elements of market regulation: market price; competition and its nature as an economic category and a basic institution of market economy.
23. Types of competition.
24. Basic theories of market structures.
25. Microeconomics and macroeconomics as structural elements of economic theory.
26. The subject of microeconomics.
27. Subjects and objects of economic relations at the micro level: individual, household, firm.
28. The system of research tools in the subject field of microeconomics: the theory of choice, modeling (graphical, analytical, mathematical, tabular), boundary analysis, the theory of equilibrium, methods of comparative analysis.
29. Demand: its essence, function and role for consumers and producers.
30. Demand: analytical, tabular and graphical analysis.
31. The law of demand in the theory of consumer behavior.
32. The main factors influencing the fluctuations of individual and aggregate consumer demand.
33. Non-price factors of shifts in demand.
34. Price elasticity of demand. Possible values of the coefficient of price elasticity of demand, their economic interpretation. Factors of price elasticity of demand.
35. Income elasticity of demand.

Course: Economic Theory
Lecture, examiner: professor Oleksandra Moskalenko

36. Cross-elasticity of demand.
37. Supply and its functions.
38. Factors influencing the change of supply and the law of supply.
39. The elasticity of supply.
40. Utility in economic theory and the problem of its measurement.
41. Macroeconomic level of functioning of economic systems: the essence of the phenomenon, subject and object of study.
42. Economic development, its essence, goals and principles.
43. The cyclical nature of the economic systems. The concept of the cycle. Types of cycles.
44. Theories of business cycles.
45. The need and limits of state regulation of a market economy.
46. Keynesian and neoclassical models of economic regulation.
47. The ratio of state and market mechanisms of regulation of the national economy.
48. The main economic functions of the state: ensuring the overall balance and sustainable development, the efficiency of market structures, social justice.
49. Forms, methods and tools of public regulation of the economy: governmental countercyclical regulation; national budget; taxes; public social policy.
50. The system of national accounts as a regulatory framework for macroeconomic accounting.
51. GDP as a basic macroeconomic indicator in the SNA. The main structural elements of GDP.
52. Methods of calculating GDP: production (value added method), by income, by expenditure.
53. Gross domestic product (GDP) and gross national income (GNI).
54. Net national product (NNP) and net national income (NNI). Gross national disposable income (GNDI).
55. Current and constant prices as a basis for calculating nominal and real GDP. Economic growth rates and real GDP growth rates. Price index and deflator. Inflation and deflation of GDP.
56. GDP and social welfare. Net economic well-being (NEW).
57. Aggregate demand (AD) and its structure: consumer demand; investment demand; government demand; demand of the foreign sector of the national economy. Graphic representation of aggregate demand.
58. The declining nature of the aggregate demand curve and the factors influencing this process: the interest rate effect; wealth effect; effect of import purchases.
59. The main factors influencing the fluctuations of individual and aggregate consumer demand for the company's products.
60. Public investment and public expenditure multiplier. Tax multiplier.
61. Built-in stabilizers as a form of regulatory potential of the state.
62. Aggregate supply (AS). Graphic representation of the aggregate supply curve.
63. Features of the representation of the curve of aggregate supply by Keynesians and neoclassicists. Price factors influencing the aggregate supply function (movement along the aggregate supply curve).
64. Influence of non-price factors (change in resource prices; changes in labor productivity; changes in government regulation) on the position of the aggregate supply curve.
65. Macroeconomic equilibrium of aggregate demand and aggregate supply. Equilibrium price level. Equilibrium production.

Course: Economic Theory
Lecture, examiner: professor Oleksandra Moskalenko

66. Three variants of macroeconomic equilibrium in the AD-AS model. Long-term and short-term equilibrium.
67. The reasons for the imbalance of aggregate demand and aggregate supply and the conditions for its recovery.
68. The essence, types, sources and mechanism of income distribution in a market economy.
69. Nominal and real incomes.
70. Consumption and savings in the structure of household income. Factors influencing consumption and savings.
71. Keynesian theory of consumption. Income function in the short term. Autonomous consumption. Average and marginal propensity to consume.
72. Graph of consumption function (C). Dynamics of average propensity to consume.
73. Keynes's basic psychological law.
74. Average and marginal propensity to save. Forms of savings.
75. Graph of the savings function (S). The relationship between consumption and savings.
76. The impact of savings on aggregate demand in part-time employment. The paradox of thrift.
77. Non-income consumption and savings factors: household expectations; the amount of household wealth; general price level; the level of household debt; level of household taxation.
78. Neoclassical concepts of consumption.
79. Money, money circulation, monetary system. Types of monetary systems. Monetary aggregates. Money supply and money base. Monetization ratio.
80. Money market. Money supply. Milton Friedman's Golden Rule.
81. Monetary multiplier and deposit ratio.
82. Demand for money and the factors that determine it. I. Fisher's explanation.
83. The approach of JM Keynes to explain the reasons for fluctuations in demand for money. Liquidity advantage theory. Motives for keeping money in the form of liquidity: transactional; speculative; precautions.
84. Income level and nominal interest rate as factors of demand for money. General demand for money.
85. Equilibrium in the money market. Graphic model of the money market.
86. Monetary policy: goals, actors and tools.
87. The main instruments of monetary policy: central bank operations in the open market and shifts in the money supply; discount rate regulation policy; bank reserves regulation policy; monetary reforms; price liberalization; regulation of operations of commercial banks in the stock market; consumer credit restrictions; change of conditions of state registration of banks; quantitative mitigation, etc.
88. The policy of "expensive" money, or restrictive monetary policy. The policy of "cheap" money, or expansionist monetary policy. Tight monetary policy.
89. Inflation targeting as a modern monetary policy strategy.
90. Links of the transmitting (transmission) mechanism of monetary policy: change in the volume of real money supply or interest rate; the reaction of total expenditures to the dynamics of the interest rate or money supply; change in real production volumes in response to changes in aggregate demand.
91. Models of multiplicative expansion of money supply. Credit expansion and its impact on the economy.

Course: Economic Theory
Lecture, examiner: professor Oleksandra Moskalenko

92. The main functions of the financial system: providing the state with its own socio-economic functions and supporting the economic system; distribution and redistribution function; stimulating function; controlling function.
93. The main tools for implementing the functions of the financial system: taxes, budget system, fiscal policy.
94. The essence and functions of taxes. Direct and indirect taxes; proportional, progressive, regressive tax rates.
95. Principles of effective taxation. Tax rates and tax revenues. Aggregate tax rate and the level of tax revenues to the budget (A. Laffer's curve).
96. The state budget, its functions and sources of formation. The structure of the state budget: revenue and expenditure component. Budget deficit and its causes. Ways to overcome the state deficit. Current and capital expenditures of the state budget.
97. Public debt, its causes and economic consequences, ways to overcome.
98. Fiscal policy and its forms: discretionary fiscal policy and the policy of embedded stabilizers.
99. Discretionary fiscal policy. Incentive and deterrent discretionary fiscal policy.
100. The main built-in stabilizers as instruments of fiscal policy: change in tax revenues when using a progressive taxation system; unemployment benefit system and social benefit system to support vulnerable groups.
101. Model of the impact of government spending and taxes on total output. Government expenditure multiplier and tax multiplier. Balanced budget multiplier.
102. JM Keynes's "General Theory of Employment, Interest and Money" (1932) and the model of commodity market equilibrium (the model of "costs - output" or "Keynesian cross"). Planned and actual costs. Graphic representation of the model "Keynesian cross".
103. Violation and restoration of balance in the commodity market without government intervention. The impact of fiscal policy on the equilibrium of the commodity market in the model of "cost-output".
104. Inflation and deflationary (recession) gaps.
105. Model IS-LM (curve IS: Investment- Saving; curve LM: Liquidity Preference and Money Supply), John Hicks (Nobel Prize winner).
106. Combination of equilibrium in commodity and financial markets. Graphic representation of the relationship of equilibrium in the market of goods and paid services with the financial market.
107. Factors influencing the movement of the IS curve. The impact of stimulating and restraining fiscal policy in the IS model. Investment trap.
108. Combination of equilibrium in goods and money markets. Equilibrium conditions in the money and securities market. Graphical representation of the relationship between the equilibrium in the market of goods and paid services with the market of money and securities (LM curve).
109. Factors affecting the movement of the LM curve. Reflecting the impact of stimulus and deterrence monetary policy in the LM model. Liquid trap.
110. General equilibrium in the markets of goods and services, finance, money and securities.
111. IS-LM model as an analytical tool of macroeconomic policy.

Course: Economic Theory
Lecture, examiner: professor Oleksandra Moskalenko

112. Means of monetary and fiscal policy of the state in order to maintain the overall balance (Incentive fiscal policy; tight fiscal policy; stimulating tax policy; stimulating monetary policy).
113. Consequences of fiscal and monetary policy according to the IS-LM model. Coordination of monetary and fiscal policy in the IS-LM model.
114. Inflation: essence, causes and types. The main inflation indices: inflation rate or unconditional deflator (Implicit Deflator); price index; industrial or wholesale price index (PPI or Producer Price Index); consumer or wholesale price index (CPI or Consumer Price Index). Inflation rate and rate. Classical and Keynesian views on the nature, causes and consequences of inflation. Monetary explanation of the causes of inflation.
115. Demand inflation and its modeling in the AD-AS model. Monetary and non-monetary factors of demand inflation.
116. Supply inflation based on the AD-AS model. Stagflation.
117. Causes of cost inflation. Direct factors of price growth: state budget deficit; inflation-hazardous investments; imperfection of market competition; inflation; proportions of money supply growth and GDP.
118. Initial (short-run) and long-run Phillips curve.
119. Inflation and the dynamics of real interest rates.
120. Anti-inflationary policy of the state and its role in stabilizing the economy. Income indexation.
121. The labor market and the mechanism of its functioning. Equilibrium in the labor market. Unemployment as a deviation from equilibrium. Factors influencing the ratio of supply and demand in the labor market.
122. Economically active and passive population. Determining the level of employment and unemployment.
136. Types of unemployment: frictional, structural and cyclical. The actual and natural level of unemployment and its determinants.
137. Economic and social consequences of unemployment. Oaken's law and curve. The relationship between unemployment and inflation.
138. Phillips curve and its modern interpretation.
139. Macroeconomic instability and uneven economic development.
140. Economic (business) cycle.
141. Classification of cycles: Juglar cycles; Kitchin cycles; Kuznets cycles; Kondratiev cycles.
142. Causes and mechanisms of cyclic oscillations. Exogenous, endogenous and eclectic approaches to explaining the cyclical nature of economic development.
143. Keynesian and neoclassical theory of economic cycles.
144. Monetarist explanation of cycles.
145. Equilibrium cyclic process of R. Lucas.
146. Basic methods of state countercyclical regulation, fiscal and monetary policy.
147. Macroeconomic dynamics. The essence of economic growth.
148. Sources of economic growth in developed countries.
149. Models of economic growth: the Keynesian model of economic growth of Harrod-Domar; neoclassical model of economic growth of Nobel Prize winner R. Solow. The "golden" rule of capital accumulation.
150. Macroeconomic policy to stimulate economic growth. Factors holding back economic growth in Ukraine. Problems of economic growth policy formation in Ukraine.

Course: Economic Theory
Lecture, examiner: professor Oleksandra Moskalenko

151. The essence and basic models of modern economy: large open economy and small open economy. The share of exports and imports of the country in the system of international trade.
152. The standard model of a small open economy for a short period is the Mundell Fleming model. Marginal propensity to import.
153. Content and tools of foreign trade policy. Protectionist policy and free trade.
154. International capital movements. International credit relations. Foreign investment.
155. International labor migration. The essence and causes of international labor migration.
156. Balance of payments. Components of the balance of payments. Classification of balance of payments items and their relationship. Balance of payments of Ukraine.
157. Exchange rate, real and nominal exchange rates.
158. Demand and supply of currency. Factors determining the exchange rate.
159. Policy of the National Bank on the regulation of exchange rates. Monetary policy regimes: fixed and floating.
160. Mode of Managed Float (or Dirty Float). Currency corridor. Currency interventions.