

## Final State Examination on Economics for Bachelor Studies

- 1. Demand and consumer behaviour** (marginal utility, the law of diminishing marginal utility, total utility, a consumer equilibrium, equal marginal utilities per dollar for every good, substitution effect, income effect, market demand curve, consumer surplus; geometrical analysis of consumer equilibrium)
- 2. Theory of production and marginal products** (the production function, total product, average product, marginal product, the law of diminishing returns, returns to scale, the momentary run, the short run, the long run, total revenue, average revenue, marginal revenue under perfect and imperfect competition)
- 3. Analysis of costs** (total cost, fixed cost, variable cost, marginal cost, average cost, graph of marginal cost and average costs, cost theory and decisions of the firm, equal-product curve, equal-cost lines, least-cost conditions)
- 4. Supply and pricing in competitive markets** (perfect competition, the firm's supply curve, shutdown point, breakeven point, market supply, revenues, market equilibrium)
- 5. Imperfect competition** (monopoly, oligopoly, monopolistic competition, sources of market imperfections, barriers to competition, product differentiation, market power, concentration ratios, point of maximum profit, economic costs of monopoly, economic and social regulation)
- 6. Capital market** (capital, rate of return on capital goods, profits, interest rates, the present value of the capital assets, Tobin's  $q$ , short-run equilibrium, long-term equilibrium, the real interest rate)
- 7. Labour market** (real wage, demand for labour, supply of labour, substitution effect vs. income effect, compensating differentials, differences in labour quality, rent elements in wages)
- 8. Economic policy** (market failure, economic function of government, goals of economic policy, economic policy instruments; economic policy in practice)
- 9. Macroeconomic product** (the gross national product - GNP, nominal GNP and real GNP, methods of measuring GNP, intermediate goods, value added, HDI – Human development index, international comparison of GDP and standard of living, government expenditures, net export, personal income, disposable income)
- 10. Aggregate demand and aggregate supply** (components of aggregate demand, determinants of aggregate demand, aggregate supply and potential output, determinants of aggregate supply, classical approach, Keynesian approach in short-run and long-run periods; demand shocks in international markets)
- 11. Total expenditures and product** (household consumption and saving, the consumption saving functions, the marginal propensity to consume, the marginal propensity to save, the investment demand curve, the simple multiplier)

12. **Three-sector and four-sector models** (the government expenditure multiplier, tax multiplier, marginal tax rate, net export, open economy multiplier, marginal propensity to import; sectoral multipliers)
13. **Public finance** (public finance components, government budget, tax system, government budget functions, government debt, public debt)
14. **Fiscal policy** (fiscal policy goals and instruments, the automatic stabilisers, discretionary fiscal policy, total tax burden, Laffer's curve, expansive and restrictive fiscal policy, the crowding-out controversy)
15. **Money market** (components of the money supply, money aggregates, the functions of money, motives for holding money, commercial banks, nominal interest rate, real interest rate, the process of deposit creation, the money-supply multiplier, deposit destruction)
16. **Monetary policy** (central banks, demand for money and supply of money, instruments of monetary policy, goals of monetary policy, restrictive monetary policy, expansive monetary policy, quantity theory of money)
17. **Inflation** (rate of inflation, deflation, the consumer price index, the producer price index, the GNP deflator, categories of inflation, the impact of inflation, inertial inflation, demand-pull inflation, cost-push inflation, anti-inflation policy)
18. **Inflation and unemployment** (the unemployment rate, kinds of unemployment, the natural rate of unemployment, Okun's law, original, modified and extended Phillips curve, the Phillips curve, the short-run Phillips curve, the long-run Phillips curve)
19. **Exchange rates and international financial system** (foreign exchange rates, depreciation and appreciation, devaluation and revaluation, exchange-rate systems, the international monetary system, system of managed floating exchange rates)
20. **Balance of payments** (balance of international payments definition and structure, balance of trade, net exports, foreign debt; national foreign exchange reserves and foreign debt)
21. **International trade** (degree of openness, absolute advantage, the theory of comparative advantage, reasons of international capital movements, forms of international economic integration, coordination of economic interventions - WTO, WB, IMF, OECD, G 7)

**Suggested reading:**

HÁJEK, Ladislav.: *Economics – An Overview of Basic Concepts and Problems*. Hradec Králové, Gaudeamus, c2000.

MANKIWI, N. Gregory. *Principles of economics*. 5th ed. Mason, OH: South-Western Cengage, c2012. ISBN 0538453052.

SAMUELSON, Paul A. a William D. NORDHAUS. *Economics*. 13th - 19th ed. Boston: McGraw-Hill Irwin, c1989, 1992, 1995, 1998, 2001, 2004, 2007, 2009 ISBN 0073511293.