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## Finance, Banking and Investment 1st Level of Study (Bachelor's degree)

### Topics for the State Final Examination

1. Public sector and public finance. Reasons for the existence of the public sector in relation to the functions of public finance. Public goods and externalities. Public choice theory and its significance in decision-making on the allocation and redistribution of public resources.
2. Economic nature of public revenues with emphasis on tax revenues. Costs of taxation. Tax incidence and tax shifting in a competitive market under partial equilibrium.
3. Economic nature and efficiency of public expenditures. Public goods and externalities. Cost-benefit analysis and evaluation of public projects.
4. Relationship between public revenues and public expenditures at different levels of government. Nature, causes and methods of financing fiscal imbalance. Economic nature of the financial categories: state budget deficit, state debt and public debt.
5. Financing of a business entity. External and internal sources of financing. Corporate self-financing.
6. Operating cycle. Determination of total working capital requirements. Management of inventories, receivables and cash. Alternative methods of financing current assets.
7. Investment decision-making of a business entity. Evaluation of the economic efficiency of investments. Risks and uncertainties, real options in investment decision-making. The impact of financing decisions on the efficiency of an investment project.
8. Small and medium-sized enterprises (SMEs) in the business environment. Specific features of SME financing. Financial support for SMEs.
9. Shared tax revenue as a source of income for local self-government and its importance in financing public budgets. Types of personal income for income tax purposes and the application of expenses. Items reducing the tax base and tax liability of individuals. Proportional and progressive personal income tax rates – principle, advantages/disadvantages, and examples.
10. Indirect taxes as a source of state budget revenue and their degree of harmonisation within the EU. VAT registration and basic rules for the application of VAT in transactions between VAT payers and non-payers within the EU and with third countries. Possibilities of applying reduced tax rates for indirect taxes – conditions and typical cases.
11. Balance sheet of a commercial bank; active and passive operations. Credit operations. Deposits, their protection and classification. Bank bonds. Bank capital – definition, recommended structure and functions. Liquidity, solvency and factors affecting bank stability.
12. The importance of risk management for individuals, entrepreneurs and society. The risk management process and its phases. Methods and techniques of risk management and their application in various situations of natural and legal persons.
13. Insurability of different types of risks and their classification. Sources of personal and business risks. Importance and role of insurance in the risk management process. Life and non-life insurance products. Characteristics and structure of

an insurance contract. Legal requirements and principles of insurance contracts.

14. Entities of the insurance market. Mutual interactions among insurance market participants. Roles of entities in risk management. Processes and activities carried out in insurance companies and their functions. Risk assessment and underwriting. Production. Policy administration. Claims settlement. Other activities in an insurance company.
15. Neoclassical vs. behavioural economics. Contributions of experiments to a better understanding of individual decision-making and biases. Game theory predictions based on Homo economicus vs. behavioural findings from experiments focused on strategic interactions.
16. Basic assumptions of the classical linear regression model, specification of an econometric model, dummy variables and interaction terms using dummy variables.

***Each topic includes theoretical explanations, analytical evaluations and methodology, comprehensive assessment of the issue, and proposals for solutions. Students should be able to apply the acquired knowledge in finance – specifically corporate and public finance, taxation, banking and insurance – as well as the application of quantitative and experimental methods in the respective fields.***

#### **Course of the State Final Examination**

*Students will be assigned to an examination board for a specific date according to the schedule of the state final examinations. The state final examination includes the resolution of a case study, which will be designed based on the published thematic areas. After defending their final thesis, students will be given time to prepare a response to the topic they draw. In assessing the answers, particular emphasis is placed on the ability to logically connect related areas of the subject matter and to apply theoretical knowledge in a practical context.*