

<b>Subject</b>				
<b>Financial Policy</b>				
ECTS code	Semester	Faculty: Finance		
	2	Major: Finance and Accounting		
		Corporate Finance and Accounting		
<b>Faculty:</b>				
Lecture: Stanisław Owskiak Ph.D. Professor in Economics and Finance				
Classe: Anna Moździerz Ph.D., Alina Klonowska Msc, Piotr Podsiadło Msc.				
<b>System of studies:</b>				
part time, second degree				
Subject status	Pass requirement	Number of contact hours		ECTS points
		Lectures	Classes	
Obligatory, Group C - additional course	Exam	9	18	5
<b>Teaching language</b>				
English				
<b>Subject provisions and objectives</b> (including the expected can-do of students on completion of the course)				
<p>The main aim of this course is to provide students with the most essential knowledge and functions of financial policy as well as the operation of the financial system in the current day economy. The difficulties in respect of the implementation of financial policies as well as their achievements on a global level, such as sustainable economic growth, low stable inflation, high employment as well as the balance of internal &amp; external payments balance etc. will be presented and addressed in this programme.</p> <p>Theoretical considerations on financial policy will be exemplified drawing on the use of abundant empirical data from a range of countries, especially the EU.</p> <p>On completion of this course students should be well oriented in the types of tools that need to be implemented to address the current state of financial policies (monetary and fiscal), but also the effects of such undertaken policies on the economy and society at a country level as well as at Euro zone level.</p> <p>To achieve success in this programme one needs to display a firm understanding of the relationship between decisions adopted at a financial policy level as well as the resulting behavior of economic agents.</p> <p>On completion of this course students will be knowledgeable as to both the reasons for the poor effectiveness of the financial system, as well as the errors in financial policy pursued in the past, which, in turn, led to the deep financial and economic crisis from 2007 to 2009.</p> <p>This knowledge will facilitate a thorough understanding regarding the complexity of convergence (nominal and real), the conditions undertaken by individual countries as well as the European Union action aimed at preventing further financial and economic crises. The scope of these activities include both domestic and convergence programs, as well as the institutional arrangements including such mechanisms as the Financial Stability Fund.</p> <p>Students will also gain knowledge about the latest trends in EU fiscal policy across the EU, the main characteristics of public spending, the difficulties associated with the government funding of pensions, the difficulty of balancing state finances and the effects of rapidly rising public debt.</p> <p>The scope of knowledge will also include the challenges faced by countries aspiring to join the euro zone.</p>				

<b>Teaching curriculum</b> ( in case of prescribed subjects, compliance with the standards, maximum 15 topics)
<ol style="list-style-type: none"> <li>1. Nature of financial policy in the modern economy.</li> <li>2. Legal framework of financial policy – case of Poland, case of EU.</li> <li>3. Fiscal policy and Monetary policy as a Policy Mix.</li> <li>4. Main goals of financial policy.</li> <li>5. Financial system as a institutional base to let of conducting the financial policy.</li> <li>6. Main financial and economic indicators across EU countries and selected countries in the world.</li> <li>7. Inflation in selected countries during last two decades.</li> <li>8. Distribution of incomes by fiscal system.</li> <li>9. Main features of modern tax policy.</li> <li>10. Public expenditure across EU countries – main trend and forecasts.</li> <li>11. Unbalanced public finance, public debt – recent trends across EU countries.</li> <li>12. Nominal and real criteria of convergence of economies inside EMU countries an EU countries.</li> <li>13. Role of financial policy in stabilization of financial and real sectors of the economy – lessons derived from financial crisis 2007-2009.</li> <li>14. Reforms of the Stability and Growth Pact and its results.</li> </ol> <p>Challenges to financial policy to protect society from financial and economic crises</p>
<b>Class topics</b> (maximum 15 topics)
Based on the above components
<b>Introductory topics</b>
Macroeconomics, Public Finance, Monetary Policy
<b>Teaching methods</b>
Lectures/presentations, debate, analysis & case studies
<b>Basic literature and other sources</b>
<p>I. Mandatory readings</p> <ol style="list-style-type: none"> <li>1. Carlberg M., <i>Monetary and Fiscal Policies in the Euro Area</i>, Springer; 1st Edition. edition (November 9, 2010).</li> <li>2. Ferreino J. (ed.), Ferreino J. (ed.), Fontana G., Serrano F.(ed.), <i>Fiscal Policy in the European Union</i>, Palgrave Macmillan (January 6, 2009).</li> <li>3. Heipertz M., Verdum A., <i>Ruling Europe: The Politics of the Stability and Growth Pact</i>, Cambridge University Press; 1 edition (February 3, 2011).</li> </ol> <p>II. Suggested readings</p> <ol style="list-style-type: none"> <li>1. Mankhoff L., <i>Monetary Policy Instruments for European Monetary Union</i>, Springer; 1st Edition. edition (December 6, 2010).</li> <li>2. Vermeend W., Ploe R. van der, Timmer J. W., <i>Taxes and the Economy: A Survey on the Impact of Taxes on Growth, Employment, Investment, Consumption and the Environment</i>, Edward Elgar Publishing (December 30, 2009).</li> <li>3. Larch M. (ed.), Martins J. N. (ed.), <i>Fiscal Policy Making in the European Union: An Assessment of Current Practice and Challenges</i>, Routledge; 1 edition (December 22, 2009).</li> <li>4. <i>European Union Public Finance</i>, Office for Official Publications of the European Communities Luxembourg 2009.</li> <li>5. The Annual Reports of the ECB.</li> <li>6. <i>Taxation trends in the European Union</i>, Data for the EU Member States, Iceland and Norway, European Commission —Taxation and customs union, Eurostat, 2010 edition.</li> <li>7. Epstein G.A., <i>Financialization and the world economy</i>, Edward Elgar Publishing, 2005.</li> </ol> <p>Own sources + other to be notified.</p>
<b>Pass requirements for signature/examination</b>
Final exam in written form.

**Examples of questions for tests and examinations**

1. Factors affecting inflation in the last decade in the European Union.
2. The monetary policy of the European Central Bank after 2000.
3. Structural and cyclical imbalances in public finances.
4. Key trends in fiscal policy of the EU.
5. The criteria for nominal convergence and real convergence.