Financial University under the Government of the Russian Federation

Department of Public Finance

***Kakaulina M.O.***

**Finance (in English)**

***Level of Study:*** *Bachelor’s degree*

***Field of Study:*** *Economics*

***Study Programs:***

*Direction of preparation: 38.03.01 Economics*

*Profile: International finance*

**Syllabus**

***1. Name of a subject* Finance (in English)**

**2. Mapping of learning outcomes (list of competences), with the relevant indicators described and subject learning outcomes indicated**

The Table 1 contains the following information: graduates’ coded competencies that are to be developed during the learning process, indicators that show their development (generalized descriptions of specific actions performed by the graduate that clarify and reveal the competence content), learning outcomes (knowledge, skills) with indicators of competence development:

Table 1

|  |  |  |  |
| --- | --- | --- | --- |
| Competence code | Competence | Competence development indicators[[1]](#footnote-1) | Learning outcomes (skills[[2]](#footnote-2), and knowledge) and indicators that show competence development |
| PC-2 | Ability to calculate financial and economic indicators, examine and explain the concept and the nature of economic processes at the micro- and macro-level using existing methods and legal frameworks. | 1. Uses the legal framework regulating the financial and economic indicator calculation procedure.  2. Calculates financial and economic indicators at the macro-, meso- and micro-levels.  3. Examines and shows the nature of economic processes using the financial and economic indicators obtained at the macro-, meso- and micro-levels. | 1. **Know:** sources of information about financial transactions, features of the functioning of the financial system (financial structure).  **Be able to**: justify the choice of financial information for making decisions in the field of financial management; calculate financial indicators to assess the consequences of management decisions.  2. **Know:** basic financial and economic indicators.  **Be able to**: carry out calculations and cross-country comparisons at the macro, meso and micro levels.  3. **Know:** economic content and features of the functioning of finance at the macro-, meso- and micro- levels.  **Be able to**: analyze economic processes and identify problems based on received financial and economic indicators. |
| PC-3 | Ability to gather, process statistical data and perform statistical data analysis, apply mathematical methods to solving standard financial and economic problems and interpret the results in a professional environment. | 1. Gathers, processes statistical data and performs statistical data analysis to solve financial and economic problems.  2. Makes mathematical descriptions of financial and economic problems, moves from economic descriptions of problems to mathematical models.  3. Uses a systemic approach to selecting mathematical methods and information technology for solving specific financial and economic problems in a professional environment.  4. Examines the results of the analysis of financial and economic problems’ mathematical models and makes quantitative and qualitative conclusions and recommendations for financial and economic decision-makers using the results obtained. | 1. **Know:** factors, which affected on the state and development of finances of the state and non-state sectors of the economy.  **Be able to**: assess the current state, risks and prospects for the development of finances in the state and non-state sectors of the economy.  2. **Know:** financial indicators used for making management decisions and mathematical statements of financial and economic problems at the macro-, meso- and micro- levels.  **Be able to**: make economic and mathematical calculations to determine the optimal amount of financing.  3. **Know:** mathematical methods and information technologies for solving specific financial and economic problems in the professional field.  **Be able to**: apply mathematical methods and information technologies to solve specific financial and economic problems in the professional field.  4. **Know:** mathematical models of financial and economic problems and quantitative and qualitative conclusions and recommendations for making financial and economic decisions.  **Be able to**: analyze the results of the study of mathematical models of financial and economic problems; develop recommendations for making financial and economic decisions. |
| PC-6 | Ability to offer solutions to workplace problems in the changing financial and economic environment | 1. Understands the content and logic of the economic entity examination procedure, methods used to substantiate operational, tactical and strategic managerial decisions. 2. Offers solutions to workplace problems in the presence of uncertainty. | 1. **Know:** main modern trends in the development of the financial system (financial structure) and the factors that determine them.  **Be able to**: assess the effectiveness of financial policy and financial management.  2. **Know:** modern tools for the development and implementation of solutions for the choice of forms of financing, methods of financial planning and financial control, depending on the amount of available financial information.  **Be able to**: apply modern tools for the development and implementation of solutions for the choice of forms of financing, methods of financial planning and financial control, depending on the amount of available financial information. |
| UC-10 | Ability to search, critically assess, summarize and systematize information, use a systematic approach to problem solving | 1. Clearly describes composition and structure of the required data and information, correctly implements processes of gathering, handling and interpreting the data.  2. Substantiates the essence of ongoing processes, identifies patterns, and understands the nature of variability.  3. Formulates the classification principle, selects the corresponding groups of homogeneous «objects», identifies the common features of the elements of these groups, assesses the degree of completeness of the classification results, demonstrates the application of the classified groups.  4. Competently, logically, reasonably forms own judgments and evaluation. Distinguishes facts from opinions, interpretations, judgements, etc. in the arguments of other participants.  5. Arguments and logically presents own point of view via and on the basis of a systemic description. | 1. **Know:** sources of financial information, regulatory legal acts regulating the basis for the performance and documentation of financial transactions.  **Be able to**: predict the results of financial regulation, the consequences of strategic and operational decisions in the process of financial management.  2. **Know:** the essence of what is happening, modern development trends, patterns and the nature of variability.  **Be able to**: substantiate the essence of what is happening, identify patterns and understand modern changes and trends.  3. **Know:** classification, highlighting the corresponding groups of homogeneous «objects», identifying the general properties of the elements of these groups, methods of evaluating the classification results, which shows the applied purpose of the classification groups.  **Be able to**: to formulate the classification signs of the classification, to highlight the corresponding homogeneous groups, to identify the general properties of the elements of these groups, to assess the completeness of the results obtained, to use the applied purpose of the classification groups.  4. **Know:** competent, logical, reasoned formulation of one's own judgments and assessments, which make it possible to distinguish facts from opinions, interpretations, assessments, etc. in the reasoning of other participants in the activity.  **Be able to**: competently, logically, reasonably form their own judgments and assessments; distinguish facts from opinions, interpretations, assessments, etc. in the reasoning of other participants in the activity.  5. **Know:** a systematic approach and methods that allow you to analyze, generalize and systematize information, use it for a reasoned and logical presentation of your point of view.  **Be able to**: reasonably and logically present your point of view through and on the basis of a system description. |

**3. Place of the subject in the curriculum**

The course *Finance (in English)* is a part of the general professional discipline module included in the curriculum of the educational program *38.03.01 Economics, Profile of Bachelor Program: International finance*.

The course gives students' basic knowledge in the field of finance and also allows students to broaden their horizons and master the additional competencies.

For the successful development of the course, students must possess the competencies obtained in the study of disciplines: *Economic Political Science* and *Microeconomics*.

To master the course *Finance* a student must:

**Know:**

1. theoretical foundations of the functioning of a market economy;
2. modern concepts about the role of the state;

**Be able to:**

1. analyze sources of financial information on macro- and microeconomic levels;
2. use economic and mathematical tools to solve tasks in the field of financial management;

**Own:**

1. a categorical apparatus necessary for understanding the role and importance of finance in the economic development of society;
2. modern methods of calculation and analysis of financial indicators;
3. skills of working with scientific literature and sources of financial information, generalization and interpretation of the theoretical and analytical information.

The course *Finance* is the basis for studying such disciplines as *Financial Markets*, *Money, Credit and Banks*, *Corporate Finance*, *Financial Environment of the Organization.*

The course *Finance* gives students the opportunity to form a systematic understanding of the content of financial transactions and financial work, the importance of finance and the goals of financial regulation, the development of modern ideas about the content of finance and the structure of the financial system, the role of financial information in management at the macro- and microeconomic levels. The discipline allows you to develop the analytical skills necessary for managing cash flows and making financial decisions.

**4. Workload in credits and academic hours, with class work (lectures and seminars) and self-study indicated**

Table 2

|  |  |  |
| --- | --- | --- |
| **Type of work** | **Total**  **(in credits and hours)** | **Module 3-4**  **(in hours)** |
| **Overall workload** | 5/180 | 5/180 |
| ***Class work*** | 68 | 68 |
| *Lectures* | 34 | 34 |
| *Seminars, practicals* | 34 | 34 |
| ***Self study*** | 112 | 112 |
| Formative assessment | Essay | Essay |
| Summative assessment | Written exam | Written exam |

**5. Subject content (with the thematic components indicated).**

**Theme 1**. **The nature and functions of finance.**

Examples of financial operations: financial operations with people participation, financial operations, which executed by companies and governmentally oriented financial operations. Characteristic of the non-financial operations with monetary nature economic and monetary nature and other. Traces of the financial operations such as monetary nature, isolation from goods turnover, involvement different economic entities, mobility of financial resources and their freedom from strict liabilities.

Brief history of the term finance. Description of basic financial functions: regulating, stabilizing, planning, control, distributional and accumulating. Redistribution concept of finance, it features and definitions. Redistribution mechanisms: financial market, budgetary system.

Basic corporate concept of finance: The Soviet Union reproduction concept and Western corporate money flow management.

**Theme 2. Financial valuation.**

Valuation as the first step of financing. Finance as the application of a number of principles to maximize the wealth or overall value of a business. Conditions of financial value creation.

Reasons and consequences of stock price and shareholders’ wealth raising. Process of multiplying of financial value through creation derivative value in a form of stocks or bonds.

Signs of effective and ineffective public finance management. Description of the proposal’s Net Present Value (NPV). Nature of the conflict between a short-term profit maximization and a long-term maximization of wealth.

The concept of return. Return in context of public budget redistribution and public budget investments. Main differences between return from public expenditures and families’ spending.

Overview of future value’s key factors such as risk and liquidity. S&P 500 stock index as a basic indicator of financial value creation. Cases of financial value destroying.

**Theme 3. Financing and financial resources.**

The nature of financial resources and their difference from money and income. Opportunities of using cash inflows and outflows as financial resources.

Gross domestic product (GDP), share of national wealth and revenue from foreign economic activity as an origin of financial resources. Examples of funded and unfunded form of financial resources.

Key sources of financial resources for companies. Main differences between external and internal equity financing. Features of financial resources in a business cycle. Ways of rising financial resources for firms. Borrowed and second used financial resources.

Origin and features financial resources for households. Ways of rising families’ financial resources.

The sources of financial resources for public authorities. Financing mandatory and discretionary public programs.

Other notions, including emergency shrink of social costs and bankruptcy, redistribution tools for financial recourses.

**Theme 4. Financial system.**

Definitions of the financial system according to IMF view. The role of financial system in the economy.

Classification criteria for financial system. The basic levels, subjects, branches and institutions of the financial system. Demarcation of the terms «financial system», «financial sector», «banking system».

Legal regulation as the part of financialsystem: the regulatory pyramid.

A financial tool definition. Classification of key financial tools.

The need for Government intervention to economy. Foundation of public finance: authorities’ levels and public budgets features.

Interrelation of the elements of financial system. Key features of corporate finance: a company size and financial tools used. Small and Medium-Sized Businesses (SMB), Large Enterprise and Multinational companies financing.

Development and crossing of different spheres and tools of financial system.

**Theme 5. The effects of finance on labor.**

A firm labor demand and financial leverage. The cyclical cost of external financing and its impact on employment.

The role of the financial market in labor redistribution. Transfer wealth from employees to investors. Features of workers-directorate relations: manager-worker alliances against shareholders.

Efficient capital and labor relocation. International finance and employment risk:obstacles on international capital flows as a reason of slashing wages.

Impact of state regulation of the labor market on unemployment. Kinds of civil employment and adjusting structural unemployment. New jobs stimulus formation by public and private financing of labor reproduction. Monopolistic or competitive labor reproduction.

Public financing temporal and permanent migration. Ways of rising labor supply and labor cost or productivity.

Models of financing labor in different countries - Socialist, China and the US models.

Employment promotion activities such as result-oriented wages, employee share ownership plan, saving and mortgage stimulus, education loans and saving pensions, medical insurance and earning tax credit.

**Theme 6. Public finance redistribution.**

Directions and methods of government involvement to production. Definition of financial policy, it’s characteristics, branches and efficiency factors.

Fiscal mechanism of the redistribution: forms and methods, quantitative parameters, stimulus and changes, ways to improve efficiency. Budgetary revenue-expenditure and borrow-invest parts of fiscal mechanism.

Securing the effective provision of public goods and long-term economic development as the goals of redistribution.

Forms of income redistribution, its influence the structure of consumption, the level of production, society costs. Main aspects of territorial and industry redistribution.

Financing public investments and research, methods to increase it. Public borrowing and social insurance surplus. The US case of massive investments.

**Theme 7. Financial law.**

Financial law as a legal system. The role of financial law in the economy.

Classification of financial law components, such as transaction execution and crime preventing, corporate management, financial markets, ethics norms, market practice, case law and legislation.

Brief history of financial market legal regulation. Financial markets without law protection. Expanding markets far from personal experience. Creditor/investor protection and strong markets.

Legal aspects of international finance. Legal regulation of international capital markets. Essential rules and institutions required for the functioning of financial systems: contract law and collateral.

Legal aspects of banking and corporate finance. Legal frames for market professionals. Legal and accounting services. Market practice as a source of financial law. Case law as the second component. Legislation as the third component of law.

Risk transfer nature of financial law and it’s regulation. Financial positions: kinds and examples.

**Theme 8. Financial regulation.**

Foundation of financial regulation by the difference with financial redistribution, by several examples, historic analogues and definitions, by comparison with automatic market-based regulation, and main factors for the regulatory branches.

Features of the Soviet centralized economy and modern American decentralization.Law and economic viewson financial regulation.

Adjusting regulation of corporate finance and financial markets. Key features of financial market guidelines, mostly by the market branches, such as private operations disclosure, assets structure (portfolio) regulation, professional licensing and authorization of key operations.

Fundamentals of public financial regulation. Financial regulation through taxes. Fiscal and tax influence on the structure of private financial transaction, including tax deductions and various rates, conditional budget subsidies and allowances.

Budget expenditures on basic public programs and secondary public needs. Intergovernmental finance relations. Public borrowing and monetary regulation. A Central bank regulatory tools. Contra cyclical fiscal and monetary regulation.

**Theme 9. Corporate CFO and governmental financial bodies.**

CFO basic, advanced and informal functions, accountability and power limitation.

Other corporate financial managers: IRO, treasurer, controller. Basic and advanced functions of treasurer. Controller basic responsibilities. Controller and CFO roles in audit and analysis. Controller and CFO position in a small company.

Principal organization of public financial management at the federal level: chief executive and parliament role, key finance professionals.

Mission and detailed functions of RF Ministry of Finance. RF Federal Servicesand their role in financial system.

Principal organization of public financial management at the regional and local levels.

Regional influence of the Federal Services and the Ministry of Finance.

The Federal Treasury as accounting outsourcer, it’s basic and secondary functions.

Key the US finance officials such as Bursary, Treasury, Office of Management and Budget (OMB), Government Accountability Office (GAO), Federal Reserve System (Fed). The concept and obligations of Bursary. The mission and tasks of the Treasury. Main responsibilities of the OMB. Directions of support congressional oversight by the GAO. The difference between the Federal Reserve and the central banks of other countries. Finance regulatory agencies in the US.

**Theme 10. Financial forecast.**

Definition of financial forecasting. The differences between forecasting, planning and modeling. Forecasting range of outcomes, it’s indicators and methods. Key predicted macro-and micro- indicators. Emphasis technical of financial forecasting.

The history of forecasting techniques development on the stock market. Cost-benefit of the forecast. The criteria for timeliness such as: how timely the forecast is, how far in the future the forecast should go, what level of data detail is needed.

The internal consistency of the forecast and basic role of assumptions in the forecasting process.

Necessity of alternative favorable and unfavorable variations on the baseline scenario developing. Alternative scenarios in Russian macro forecasting. Budget forecast as the main financial forecast document.

The sensitivity analysis of forecasts to various assumptions. Forecasting methods, computer and math toolsand data available at the state level. The time series and casual forecasts. Trend and correlation analysis.

**Theme 11. Financial planning and budgeting.**

Features of personal finance and invest plan, it’s key content.Basic responsibilities of financial planner. Mission and stages of personal financial planning process.

Financial planning process at macro level: the aim and tasks. Monetary indicators of natural processes. Documentary forms of financial plans and their information base. Stages and methods for financial planning: economic analysis, plan calculation, balancing and optimization.

Features, types and principal requirements to purpose-oriented programs.Public budgets, their aims, functions and types. Budget estimate for state-funded organizations.

Historic aims of Budgetary Control System. Modern Budgetary Control System and critics of traditional budgeting system.

Budget Management Philosophy. Ways to improve traditional budgeting.

**Theme 12. Financial control.**

US Securities and Exchange Commission’s (SEC) and Russian definitions of financial control. Financial control types: automated or manual; segregation of duties; review and approval authorizations; safeguarding and accountability of assets; preventing or detecting error or fraud.

Classification of control based on the objects of control: property and cash-flow control, operational control, control over shareholders,banking control under borrowers, governmental control of private companies.

Financial control performance, effective control characteristics.

Standards of financial transaction control such as compliance, validity, reasonableness, financing, accurate registration, maintainability and timely registration of financial transaction.

Target and tasks of financial control. Elements of the financial control system: object and subject, principals, informational and normative securing, responsibility of participants of control, financial, technical and staff assistance.

Forms, methods, stages and principals of financial control, it’s informational support.

Financial control at the state level: governmental control and public executive control.

Powers of the RF President, RF Federal Assembly and RF Accounts Chamber in the field of financial control. Specialized agencies for governmental control.

Directions of improving financial control: legislative improvements, auditor control improvements, tax and budgetary control improvements, informational technologies improvements.

**Theme 13. Treasury and cash flow management.**

A brief history of the Treasury functions. Modern Treasury functions: liquidity management, operational management, banking management, investment management, financial management and risk management. Treasury management key dilemma.

Differences in cash- and accrual-basis accounting. Main principles of cash-flow management. Relationship of the basic cash-flow management terms - cash cycle, cash inflow, cash outflow and cash-flow gap.

Commercial debt making and collection. Bad debt or absence of debt dilemma.

Cash-flow budget projections. Basic steps of preparing the cash-flow budget. Formula for the simplified sample of the cash-flow budget.

Treasurer’s steps to close the cash-flow gap. Indicators of poor quality and innovative quality of cash-flow management.

Conditions for public cash flow management, it’s purposes. Cash-flow plan as the base of budget implementation. Public treasury accounts. Control over the centralized treasury accounts. Decentralized accounts and exceed borrowing.

**Theme 14. Financial engineering and innovations.**

Definition of financial engineering. Stimulus for financial engineering such as increased interest rate volatility and the frequency of tax and regulatory changes.

Activities within financial engineering: design of innovative financial tools for consumers and companies, development of innovative financial processes, creative solutions to corporate finance problems.

Cost reduction innovative processes. Computer based financial innovations: electronic security trading, automated teller machines, point-of-sale terminals, electronic funds transfer, CHIPS (Clearing House Interbank Payment System) and cash management/sweep accounts.

Financial engineering in risk management. New risk management tools and approaches. Continuing improvements in risk-management.

Rationalization phase of financial engineering. Regulatory challenges for financial engineers. Challenging behavior of financial firms and customers.

Drivers for public finance engineering. Saving pensions and earning tax credit. Reaganomics as an example of using charges and market orientation of public authorities. Further improvements in self-paid public services. Corporate practice for public finance. Government as the biggest speculator and investor. Electronic technologies and automatization of budgetary and market transactions. Electronic passport and the services self-ordering.

**6. List of teaching and methodological materials needed for the students self-study**

**6.1. List of questions for student self-study and types of out-of-class activities**

Table 3

|  |  |  |
| --- | --- | --- |
| **Itemized subject content** | **Questions the students should answer within the self-study process** | **Types of out-of-class activities** |
| 1. The nature and functions of finance | Сomparison of the term «finance» with other economic terms such as money, price, salary and credit.  The relationship of the terms «financial relations», «financial resources» and «financial transactions».  Subjects of financial relations and their characteristics. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Financial valuation | The concept of the value of money over time: definition, net present value, short-term increase in profit, and conflict with long-term growth in firm value. Future value and risks: inflation, risk and liquidity as factors of preference for money over future income, future value and risks for households. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Financing and financial resources | Financing public expenditures: distinctions and similarities with financing operating expenditures and investments of large commercial organizations. Discrete budget spending. Budget surplus as a source of financing for government spending. Sources of additional financial resources, their features and limitations. Changes in social obligations and bankruptcy as ways to increase financial resources. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Financial system | Сlassification of financial relations of a commercial organization. Factors and composition of finance of commercial organizations.  The concept of a non-profit organization and the purpose of its creation. Сomposition and peculiarities of finance of non-profit organizations. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. The effects of finance on labor | Financial incentives for hard work: piecework wages, employees as co-owners of the enterprise, long-term savings and mortgages, paid higher education, funded pensions, health insurance. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Public finance redistribution | Mechanism of monetary redistribution between different kinds of economic entities: firms, governments and households; social groups, territories and sectors; levels and units of governments; parent, subsidiaries and associated companies. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Financial law | Law foundation in the sphere of public finance. The Soviet state view on financial law. The imperative nature of financial law. Basic classification of legal acts for finance. Basic provisions of fiscal and tax regulation. International and intergovernmental agreements in the financial sector. Problems in Russian finance legislation. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Financial regulation | Regulation of financial markets. Professional participants as objects of regulation. Classification of regulatory instruments. Requirements for the capital and balance sheet structure of professional participants, ensuring price stability. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Corporate CFO and governmental financial bodies | Professional standards in corporate and public finance. Standards of Ethical Conduct for financiers and accountants. Classification of sanctions for violations and crimes in the financial sector. Disqualification of finance executives for violation of professional ethics and standards. Corporate liability for violations of financial laws: fines and liquidation. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 1. Financial forecast | Methodological aspects of financial forecasting: the use of ready-made forecasts from professional participants, the emergence of new forecasting techniques, «cost-result» forecasting, the forecasting time horizon, the internal integrity of the forecast. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 11. Financial planning and budgeting | The budget as a key financial plan, goals and functions of the budget, the main examples of the budgets of enterprises and authorities. Features of enterprise budgeting: generalized and narrowly specialized budgets, historical and modern view of the budget. Features of the budget of a public law entity and an off-budget fund, an estimate of a state (municipal) institution and a purpose-oriented program. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 12. Financial control | Improving financial control. Excessive control bodies and procedures. Improving audit, tax and budget control. Development of the financial control information base. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 13. Treasury and cash flow management | Cash flow budget: main parameters and preparation stages. Treasury measures to reduce the cash deficit. Poor and innovative cash flow management. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |
| 14. Financial engineering and innovations | Paid government services. Examples and key statistics. Optimization of demand and competition among state-owned producers of such services. Prospects for expanding paid government services as an alternative to tax increases. | Work with educational literature, reference-informational bases and other Internet resources. Self-study of cases, solving practical problems. Test preparation. |

**6.2. List of questions/assignments/topics for students’ preparation to formative assessment**

***Templates of questions the students need to answer when preparing for essay***

1. Comparative analysis of various definitions of finance and their distinctive features in scientific publications and publications on the development of financial literacy of the population in the United States.

2. The historical genesis of the concept of the functions of finance in the American scientific literature.

3. Comparative analysis of the functions and powers of CFOs in public corporations and budgetary institutions in the United States.

4. Overlaps and differences in the roles and powers of CFOs and chief accountants in the US or UK.

5. Application of non-financial performance indicators of public corporations and budgetary institutions in the United States.

6. The concept of net present value in the calculation of future revenues, expenditures, government budget deficit and government debt.

7. Applicability of the concept of financial resources of enterprises to household income.

8. Specificity of bankruptcies of large enterprises and state defaults as a way to increase free cash flow.

9. Financial instruments of small businesses and entrepreneurship at the intersection of corporate and personal finance.

10. Financial instruments to stimulate the labor of employees and top managers of enterprises.

11. Functional value analysis and transfer pricing as a practical embodiment of the redistribution function of finance.

12. Motives of the redistributive function of finance in the concepts of transforming savings into investments through financial markets, their urgent, pool, sectoral and territorial structure.

13. Concepts of state regulation of disclosure of financial information or cash flows of enterprises.

14. Peculiarities of non-governmental regulation of financial reporting and powers of financial directors.

15. Retrospective of financial information: corporate reporting, indicators of exchange trading and macroeconomic statistics.

16. Various strategies for investing in financial markets in the context of financial forecasting.

17. Use of stock index futures to forecast business cycles and counter-cyclical fiscal policy.

18. Similarities and differences in budgeting of large enterprises and public entities.

19. Comparative analysis of the principles of organizing the treasury work of a transnational corporation and federal government authorities.

20. Opportunities for corporate and government governance using bank accounts and monetary indicators.

***Templates of questions the students need to answer when preparing for a written exam***

*Tests*

1. What of the following correctly exemplifies financial resources?

1. public budget revenue

2. public budget surplus

3. money for mandatory public programs

4. money for discretionary programs

A. 1, 2 and 3 only

B. 2 and 3 only

C. 2 and 4 only

D. 2, 3 and 4 only

2. Choose the concepts that occurred at the first historic stages of finance development

1. cash payments

2. gold turnover

3. public revenue

4. public expenditures

A. 1 and 2 only

B. 1 and 3 only

C. 2, 3 and 4 only

D. 1, 2, 3 and 4

3. Choose the concepts that occurred at historic stages of finance development

1. state legislation

2. household money operations

3. fundamental economic relations

4. corporate money operations

A. 1 and 3 only

B. 1, 2 and 3 only

C. 2 and 4 only

D. 1, 3 and 4

4. Select the finance notions popular in the last century

1. monetary transactions settlement

2. cash flow management

3. tools of governmental regulation

4. tools of tax avoidance

A. 1 and 2only

B. 2 and 3 only

C. 1, 3 and 4 only

D. 2, 3 and 4 only

5. Various theories stress finance role in the stages of value cycle:

1. distribution stage

2. production stage

3. consumption stage

4. exchange stage

A. 1 and 2 only

B. 1 and 3 only

C. 1 and 4 only

D. 1, 3 and 4 only

6. The difference between the finance concepts could be simply described by the level of economy

Statement 1. Distributional concept is for Macro (governmental) level, reproductive concept is closer to micro (corporate) level

Statement 2. Cash flow management concept refers to macro level as well as consumption concept to transactions settlement

Statement 1 Statement 2

A. True False

B. False True

C. True True

D. False False

7. Choose the correct explanation of a control function of finance

1. reflects quantitatively the production for managerial decisions

2. check the appropriateness and authorization of money transactions

3. shows to managers distributional proportions

4. prevents cheats and crimes in monetary operations

A. 1 and 2 only

B. 2 and 3 only

C. 1, 3 and 4 only

D. 1, 2, 3 and 4

8. One of the functions of finance is the redistribution function

Statement 1. Finance redistributes only current year GDP and companies’ net income, retained earnings and free cash flow

Statement 2. The redistribution limited financial sources to be used in accordance with the priorities of social and economic development

Statement 1 Statement 2

A. True False

B. False True

C. True True

D. False False

*Practice-oriented cases*

**Task 1.**

**Match the following responsibilities with managerial positions.**

- issuing credit and collecting accounts receivable,

- maintaining banking and credit rating agency relationships,

- managing the financial risks of the corporation,

- presenting the accounting books and explaining the reasons for specific accounting transactions during external audit,

- monitoring and presenting to management the opinions of the investment community regarding the company’s performance,

- financial planning and record-keeping,

- researching how much money organization has for achieving it stated aims and objectives,

- daily administration of accounting activities and monitoring cash balances,

- financial reporting to higher management (CEO),

- forecasting cash-flow positions, related borrowing needs, and available funds for investment,

- ensuring statutory, regulatory and fiscal compliance,

- creating and presenting an investment message to the investment community on behalf of the company,

- signing on expenses and commitments,

- arranging for equity and debt financing,

- using hedging to mitigate risks related to the interest rates on the company’s borrowings and its foreign exchange positions.

**Fill out the results in the table:**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Managerial positions | Chief Financial Officer (CFO) | Investor Relations Officer (IRO) | Treasurer | Controller |
| Responsibilities |  |  |  |  |

**Task 2.**

**Analyze the dynamics of the RF federal budget execution.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | GDP | Revenues | Outlays | Deficit (-) / Surplus (+), | |
| RUB bln | as a Percentage of GDP |
| 2015 | 83 387,2 | 13 659, 2 | 15 620,3 |  |  |
| 2016 | 85 917,8 | 13 460,0 | 16 416,4 |  |  |
| 2017 | 92 081,9 | 15 088, 9 | 16 420,3 |  |  |
| 2018 | 103 626,6 | 19 454,9 | 16 709,3 |  |  |
| 2019 | 110 046,1 | 20 188,8 | 18 214,5 |  |  |

**Answer the questions. Is a budget surplus always a blessing for the country? Is the FR federal budget balanced, and if so, in what years? What are the ways to finance the budget deficit?**

**7. Mandatory and optional reading list**

***Mandatory reading list***

1. Finance: a textbook for university students [Electronic resource] / ed. E.V. Markina; Finuniversitet. - 3rd ed., P. - Moscow: Knorus, 2017. - Access mode: <https://www.book.ru/book/920256>

2. Finance of non-profit organizations: textbook and a workshop for bachelor's and master's programs [Electronic resource] / ed. I. V. Ishina; Financial University. - Moscow: Yurayt, 2017. - Access mode: https: //www.biblio-online.ru/book/D5643116-AB8A-4B98-BB76-A7851E27A79F

3. Business and Finance, Study Manual and Question Bank, Tenth edition 2016, ICAEW CFAB

4. Dictionary of Banking and Finance, 3d edition, Peter Collin Publishing 1991, A&C Black Publishers 2005.

***Optional reading list***

5. Finance, A.A. Groppelly, E. Nickbakht -- Barron’s, New York, 2006.

6. Comparing Financial Systems by Franklin Allen, 2001, MIT Press, ch.1.

7. Marco Pagano, Paolo Volpin, Labor and Finance, London.edu, 2008.

8. Joanna Benjamin, Financial Law, ch.1-2, LSE, Oxford University Press, 2007

9. The Fundamental Principles of Financial Regulation, 2009, LSE and Princeton

10. Financial Regulation in General Equilibrium, 2001, LSE, Oxford, Chicago

11. CFO of the future – the evolving role of the CFO, KPMG, 2007

12. Eduard Bomhoff, Financial Forecasting for Business and Economics, 1995, ch.1-2

13. Michael P. Clements and David F. Hendry, The Oxford Handbook of Economic Forecasting, 2011, ch.1

14. Douglas W. Kurz, Dawn K. Phodes, Policies and Procedures Manual for Accounting and Financial Control, 1992, Prentice Hall.

15. Cash-flow management, CIMA, cimaglobal.org

16. Treasury management versus cash management, International Research Journal of Finance and Economics, Issue 19 (2008), p.192-203

17. T.S. Beder, C.M. Marshall, Financial Engineering: The Evolution of a Professions, ch.1.

18. John D. Finnerty, Financial Engineering in a Corporate Finance: an Overview, <http://www.jstor.org/stable/3665764> , fma.org

19. Salih N. Neftci, Principles of Financial Engineering, ch.1-3. 2008, Elsevier Inc.

***E-resourses***

1. <http://www.investopedia.com/dictionary/>

2. <https://www.oxfordreference.com>

3. <http://lexicon.ft.com/>

4. <https://www.cfainstitute.org/learning/products/Pages/index.aspx>

5. <http://www.icaew.com/en/library/library-collection/icaew-publications>

6. <http://www.accaglobal.com/hk/en/member/standards/publications.html>

7. <http://www.cimaglobal.com/Research--Insight/>

8. <http://www.cipfa.org/policy-and-guidance/publications>

9. [http://www.kpmg-institutes.com/institutes/kpmginstitutes/articles/pubs/kpmg- publications.html](http://www.kpmg-institutes.com/institutes/kpmginstitutes/articles/pubs/kpmg-%20publications.html)

10. <https://www2.deloitte.com/global/en.html>

11. [www.pwc.com/us/en/publications.html](http://www.pwc.com/us/en/publications.html)

12. [www.ey.com/ul/en/accountinglink/publications-library-overview](http://www.ey.com/ul/en/accountinglink/publications-library-overview)

**8. List of IT resources, incl. the list of software, information and reference systems**

**8. 1. Software:**

1. Windows, Microsoft Office software;

2. ESET Endpoint Security antivirus software; etc.

**8.2. Databases and information and reference systems**

1. Garant information and reference system;

2. Consultant Plus legal information system;

3. <http://ru.wikipedia.org/wiki/Wiki> e-encyclopedia;

4. <http://www.skrin.ru/> database; etc.

**8.3. Certified software/hardware used for information protection**

If no such software/hardware is used, there is a special mark.

1. To be filled in when the updated Financial University educational standards and federal state educational standards of higher education “3++” are implemented. [↑](#footnote-ref-1)
2. Skills are described when the Financial University educational standards of the 1st generation and federal state educational standards of higher education “3++” are implemented. [↑](#footnote-ref-2)