

A picturesque winter scene in a European city, likely Bruges, Belgium. A narrow canal flows through the center, partially covered in ice. A stone bridge arches over the water. The buildings lining the canal are historic, with snow on their roofs and some windows glowing with warm light. Bare trees are visible on the left, and a street lamp stands near the bridge. The overall atmosphere is quiet and serene.

Theme 14. The main directions of economic policy

A serene winter landscape featuring a two-story red house with a snow-laden roof and glowing windows. The house is nestled among snow-covered trees and shrubs. In the foreground, a calm pond reflects the house and the surrounding snowy environment. A small wooden dock and a dark boat are visible on the left side of the pond. The scene is framed by snow-covered branches in the foreground, creating a sense of depth and tranquility.

1. Concept and types of monetary systems

Monetary system - is an organized form of currency in the country, that is, the movement of money in the domestic turnover of cash and non-cash, serving the sale of goods, the movement of loan capital and fictitious.

Monetary system includes:

currency

the scale
of prices

types of
money
emission
system

the state
apparatus

Money is one of the commodities that are specific property which is the ability to exchange for another commodity. In the economic literature, this property is called liquidity.

The main types of money are:

Notes, ie
paper money

Small change
("change")

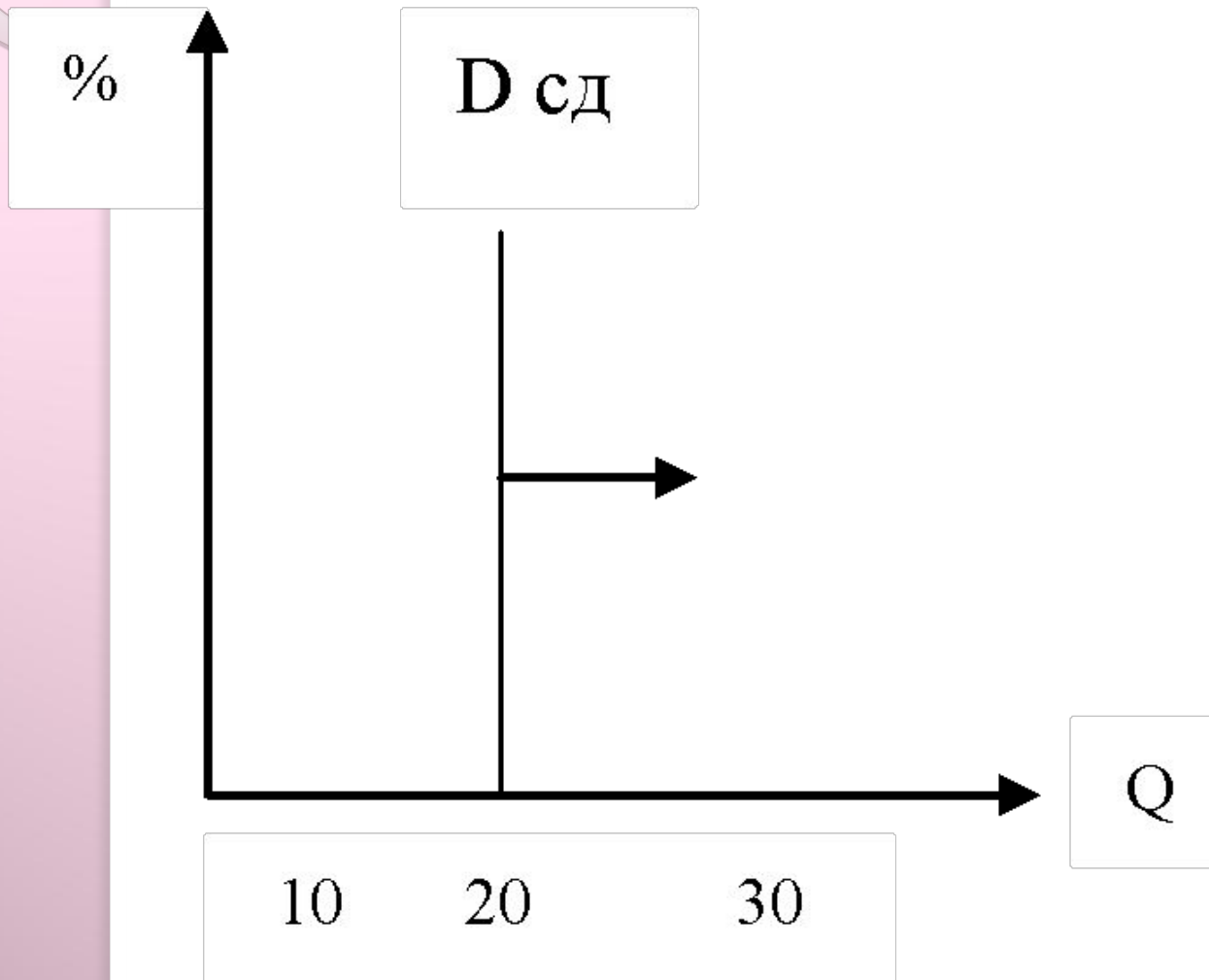
- **Banknotes** - bank notes issued by issuing banks.
- **Promissory notes** - debt (1 - 3 months), which gives the holder the right to demand payment of this amount by the deadline.
- **Cheque deposits, checks** - a means of transferring ownership of the deposits in banks or other financial institutions. Money is not the write checks, and any demand deposits (deposits) in the bank.
- In developed market economies deposits are more important than the paper money - up to 90% of trading is payable by check or by credit card. The use of **credit cards ("e-money")** requires a high level of computerization of banks, trade, service.
- **National monetary system** - a form of organization of monetary circulation in the country, has developed historically and fixed by law.

A serene winter landscape featuring a small, snow-covered house with a red roof and a chimney, nestled among snow-laden trees. A calm body of water in the foreground reflects the house and the surrounding snowy environment. The scene is framed by snow-covered branches in the foreground and background, creating a peaceful and picturesque atmosphere.

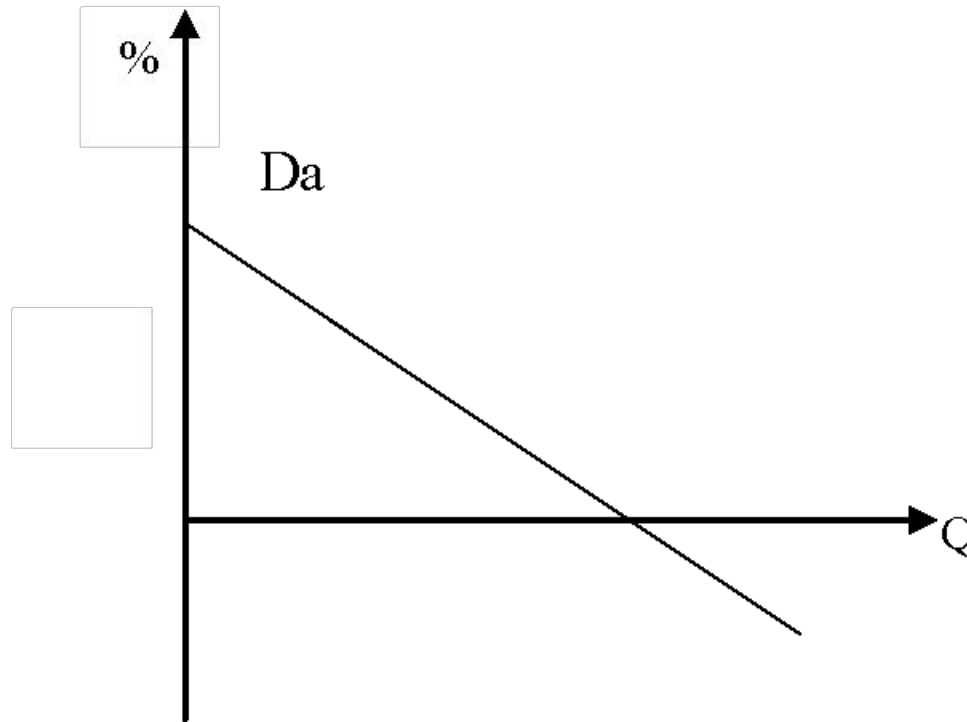
2. The demand for money and the money supply

- Based on the nature of money - their ability to communicate to all other commodities, they are formed by supply and demand.
- Demand for money (total) consists of two components:
 - A) the demand for money for transactions;
 - B) the demand for money by assets

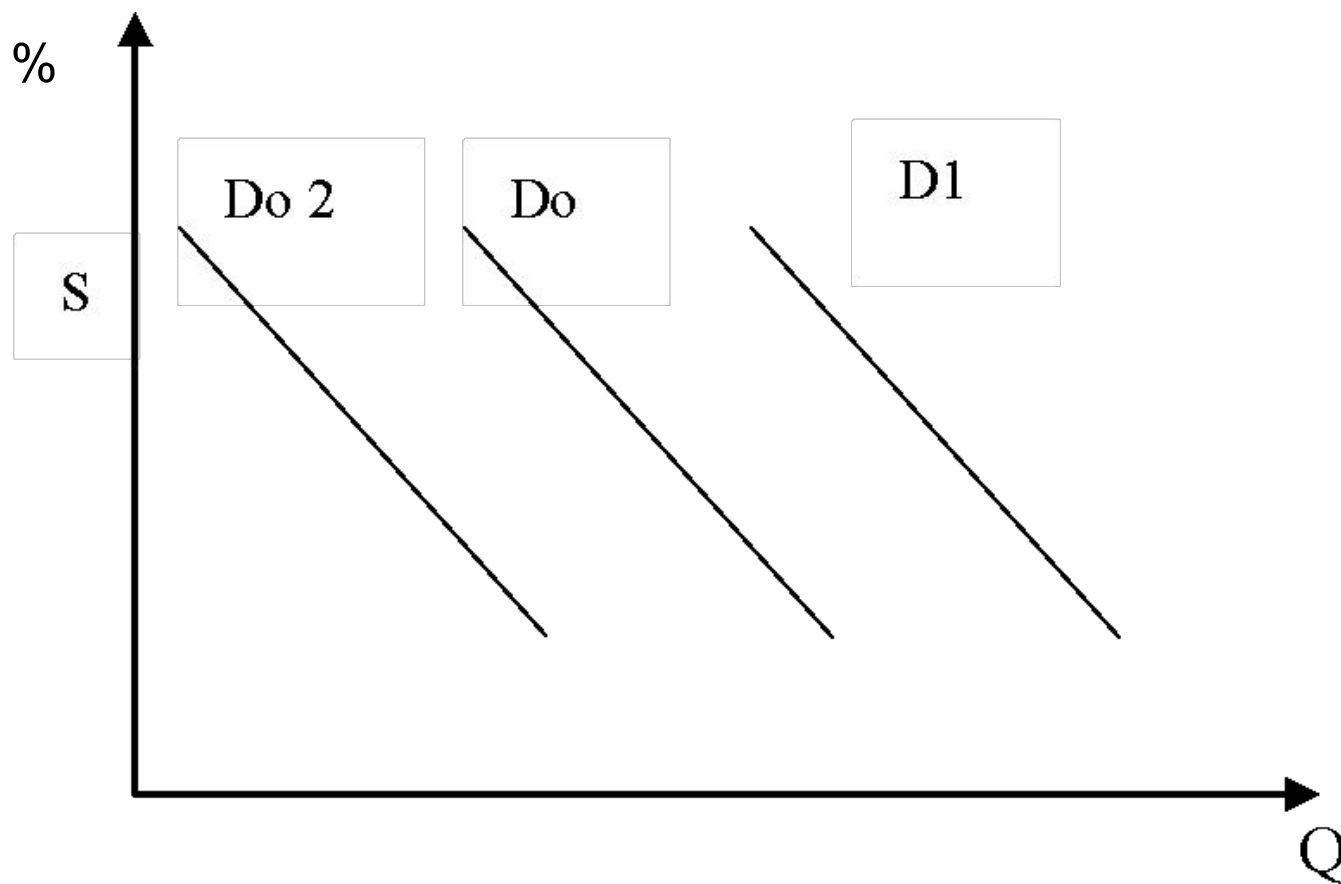
The demand for money for transactions is proportional to nominal GDP



The demand for money from the assets - a consequence of the functionality of the savings.



The total demand for money is:
 $D_o = D_{cd} + D_a$



Of what elements is the proposal? Are the following:

M1 - cash in circulation plus deposits of funds to non-urgent

M2 = M1 + savings accounts + beschekovye small (no more than 100 thousands U.S..) Average deposits.

M3 = M2 + large fixed deposits

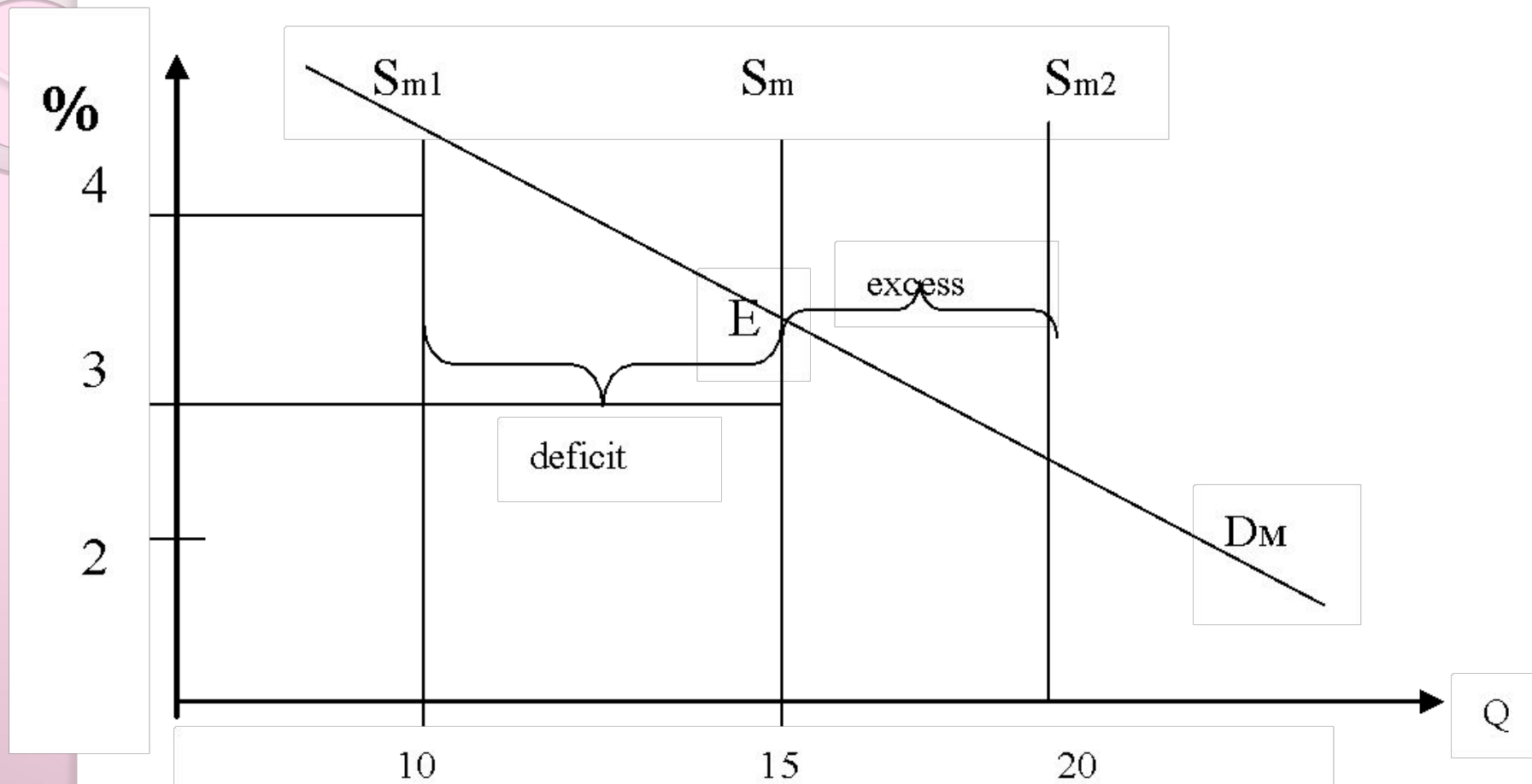


Fig. 26. Restoring the balance in the money market

A serene winter landscape featuring a red wooden cabin with a snow-covered roof and a chimney, nestled among snow-laden trees. In the foreground, a calm river or stream reflects the cabin and the surrounding snowy branches. The scene is captured in a soft, slightly desaturated color palette, emphasizing the cold and quiet atmosphere of the season.

3. The essence of financial system

- The education system and the use of funds of resources involved in ensuring the reproduction process and is finance company.
- A set of economic relations that arise between the state, enterprises and organizations, sectors, territories and individuals in relation to the movement of funds, constitute a financial relationship.
- Policy of state revenues and expenditures, regulatory demand to affect unemployment and inflation, is called fiscal policy. Its essence lies in the mobilization of funds, distribution, redistribution and use to achieve social and economic goals. Such influence through financial and credit mechanism in two ways - financial security (the state budget), financial management (tax system).

A serene winter landscape featuring a small, snow-covered house with a red roof and a chimney, nestled among snow-laden trees. A calm body of water in the foreground reflects the house and the surrounding snowy environment. The scene is framed by snow-covered branches in the foreground, creating a sense of depth and tranquility.

4. State budget and public debt.

State budget - Is the main financial plan with the revenues and expenditures of the state for a certain period of time, it is money that allows the state to function

The state budget

the budget of the government

**local budgets
(region, city,
district, village
council)**

The budget

Income. In countries with a developed market economy, budget revenues by 80-90% is formed by taxes on enterprises and the public. The rest of it comes from the use of state-owned foreign trade.

Expenses. The structure of the budget expenditure includes expenditure on social and cultural needs (health, education, social benefits, etc.), the cost of development of the economy, defense, public administration. Redistributed through the state budget a large part (55%) of the national income of industrialized countries.

Government debt - the sum accumulated in the country over a period of budget deficits, net of accumulated budget surplus, the surplus.

Government debt

Internal

foreign
(external)
debt

A serene winter landscape featuring a small red cabin with a snow-covered roof and a chimney, nestled among snow-laden trees. In the foreground, a dark river flows, reflecting the cabin and the surrounding snowy branches. The scene is framed by thick, snow-covered tree branches, creating a cozy and isolated atmosphere.

5. The principles and forms of taxation

The tax system includes a plurality of charged in state taxes, fees and other charges, as well as forms and methods of their control.

The tax system plays the role of application:

with the help of the government accumulates financial resources necessary for the implementation of its functions

regulates the development of production through the reallocation of money

interferes in the "work" of the market

Taxes - required cash payments collected by the state from legal entities and individuals.

The following classification of taxes:

**direct and
indirect**

**progressive,
regressive,
proportional**

**centralized
and local**

A serene winter landscape featuring a small, snow-covered house with a red roof and glowing windows, nestled among heavily snow-laden trees. In the foreground, a calm body of water reflects the scene, with snow-covered branches framing the view. The overall atmosphere is peaceful and cold.

6. International relationships: the nature, forms

International trade is the exchange of goods and services between the national economies of the different countries, which is based on the international division of labor (MRI).

Basic forms of international economic relations

international trade in goods and services	international loan	The international migration of capital	An international labor migration	international scientific links	the formation of free economic zones	international monetary relations	economic integration
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Two forms of public policy

Protectionism - a policy to protect domestic producers from foreign competition. The essence of politics: curbing the country's highly competitive foreign products and the protection of the export of goods of national production. Measures of protectionism: tariffs or tariff barriers, import taxes, raise prices, non-tariff barriers, fiscal policy, import quotas that limit the amount of import licensing, various restrictive rules, regulations and practices.

Free trade (liberalism) - is no different product policy barriers. The benefits of free trade: 1) stimulate competition; 2) limits the monopoly; 3) increases the efficiency of production; 4) reduce the price; 5) improve the quality of products; 6) large selection of products for consumers; 7) ensure the efficient allocation of resources of the world economy.