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Reforming Master Programmes in Finance in Armenia and Moldova / REFINE

An Erasmus+ Capacity Building Project (2017-2020)

# THE COURSE “MASTER CLASS (ACTUAL ISSUES OF FINANCIAL MARKETS AND INSTITUTES REGULATION)” OVERVIEW

*University: Russian-Armenian University*  
*Teachers: Sandoyan Edward, Galstyan Ani*



# BASIC INFORMATION



<b>TITLE OF THE COURSE</b>	Master class (Actual issues of financial markets and institutes regulation)
<b>TEACHERS</b>	Sandoyan Edward, Galstyan Ani
<b>YEAR OF THE COURSE</b>	1 <sup>st</sup> year
<b>SEMESTER OF THE COURSE</b>	2 <sup>nd</sup> semester
<b>LANGUAGE</b>	Russian
<b>NUMBER OF ECTS CREDITS</b>	4

# LEARNING OUTCOMES



- Ability to apply fundamental knowledge in the field of finance when solving practical and research problems
- Ability to make financially sound organizational and managerial decisions
- Identify and assess the economic consequences of the government regulation of economy
- Forecast the impact of monetary and fiscal policies on the financial system of the economy
- Advanced knowledge of the banking process
- Advanced knowledge of financial system
- Ability to make research on a practical economic issue

# SYLLABUS OF THE COURSE



WEEK	TOPIC
1-2	A brief analysis of the current state of the Armenian economy: comparative cross-country comparisons of macroeconomic indicators and institutional development.
3	Actual problems of the market economy formation in Armenia.
4	Market and state in the modern economy.
5	State mechanism for the regulation of economic processes.
6-7	The public sector. Government spending and income. State and local budgets. State debt: external and internal
8	Money market and financial institutions. Regulation and development policy of the system of financial intermediation.
9	Central Bank and monetary policy.
10	Banking system. State regulation of banking
11	Stock market. Institutional participants of the capital market. State regulation of the securities market

# SYLLABUS OF THE COURSE



WEEK	TOPIC
12	Fiscal policy.
13	The policy of maintaining economic growth and stability.
14	State foreign economic policy.
15	State social policy.
16	State health policy.
17	Deterring the market power: government regulation and antitrust policy.
18	The causes and consequences of the global financial and economic crisis of 2007-2010.

# WEEK 1 and 2



- Analysis of the dynamics of the main macroeconomic indicators of the Armenian economy.
- Analysis of institutional development in the Armenian economy.
- The process and results of economic reforms done in Armenia.
- Comparative cross-country comparisons of macroeconomic indicators and institutional development.

# WEEK 1 and 2



- Analysis of the dynamics of the main macroeconomic indicators of the Armenian economy.
- Analysis of institutional development in the Armenian economy.
- The process and results of economic reforms done in Armenia.
- Comparative cross-country comparisons of macroeconomic indicators and institutional development.

# WEEK 3



- Features of the transition to the market economy from centralised economy after the collapse of the Soviet Union.
- The main steps to transform the economy of Armenia.
- The main issues of the Armenian economy during the transition period.
- Creating economic opportunities in Armenia.



# WEEK 4



- Economic order and market mechanism.
- Macroeconomic growth and stability.
- General issues of the macroeconomics of the post-socialist transition on the examples of Russia and Armenia.

# WEEK 5



- The need for state regulation of the market economy.
- Bodies and methods of state regulation of the economy.
- Commodity and financial markets as objects of state regulation.
- Consumer rights and the need for their state protection.
- Bodies of state regulation of the economy, their varieties, and functions.
- Features of the creation and functioning of these bodies in transition countries.

# WEEK 6-7



- The state (public) sector of the economy, the essence, and necessity.
- Revenues and expenditures of the state.
- The state budget, its structure, and formation.
- State debt: external and internal.
- Budget deficit: concepts and trends.
- Strategy, methods, and tools of public debt management.
- Interaction of the public and private sectors.

# WEEK 8



- Money, prices and interest rates.
- Financial institutions: commercial banks; savings institutions and mortgage banks; credit unions and financial companies; investment banks, venture capital and hedge funds; insurance companies and pension funds; financial conglomerates and investment companies.
- Global financial markets.
- The future of financial systems.

# WEEK 9



- Central Bank: International experience. US Federal Reserve. CB of RF and RA.
- Monetary policy instruments. The effect of money on output and prices.
- Equilibrium in the money market.
- Features of monetary policy in countries with transition economy.

# WEEK 10



- Money and interest rates.
- Banking and money supply.
- Banking as a business.
- Commercial banks: universal and specialized.
- Banking operations. Banking Management. International banking.
- Legal regulation of banking. Licensing, regulation, and supervision of banking activities.
- Forms and methods of regulation and supervision. Basel Committee on Banking Supervision.

# WEEK 11



- Stock market. Theory of an effective market.
- Financial strategies.
- Stock Market Tools.
- Short-term and long-term capital markets.
- Institutions of the capital market.
- State regulation of the securities market.
- Worldwide experience. Securities Commission of the Russian Federation and the Republic of Armenia.  
Licensing of specialized activities in the stock market.  
Registration and listing of securities.
- Globalization of capital markets.

# WEEK 12



- Economic aspects of taxation.
- Principles of taxation.
- Federal and local taxes.
- Tax efficiency.
- Direct and indirect taxes.
- Forms and methods of implementation of the state fiscal policy.
- Features of tax administration in Russia and Armenia.



# WEEK 13



- Long-term growth trends.
- Theories and types of economic growth.
- Economic cycles and unemployment.
- Fighting inflation and price stability.
- Modern theories of inflation.

# WEEK 14



- International trade, exchange rates and balance of payments. Comparative country benefits.
- Protectionism. Economic Development Strategy.
- International financial system.
- The international cooperation.
- Bretton Woods system, its destruction and a hybrid system of the present time.
- International Monetary Fund.
- The World Bank.
- Coordination of macroeconomic policies. Globalization.

# WEEK 15



- The social cost of reforms in the Russian Federation and the Republic of Armenia.
- Institutional formation of the socio-cultural sphere.
- Housing and communal services reform: models and prospects.
- State regulation of the labour market and employment.
- Reform of science and education.

# WEEK 16



- The role of the government in health care.
- Known approaches to the organization of health.

# WEEK 17



- Business regulation: theory and practice.
- Regulation of the natural monopoly in public services.
- State antitrust policy.
- The main issues of antitrust policy: behaviour, structure, and mergers

# WEEK 18



- Factors and causes of the global crisis.
- The nature of the Armenian crisis.
- Anti-crisis program of the RA government.
- The effectiveness of anti-crisis measures applied in different countries.

# TEACHING METHODOLOGY



- This course consists of lectures, which are accompanied by the appropriate presentation. In order to enhance the understanding, the key issues are discussed during the classes.
- This course involves also case studies on Armenian, as well as international experience and classroom discussions of the most pressing issues of the Armenian economy.

# LABOUR MARKET RELEVANCE



- This course represents an intercountry analysis of the efficiency of institutes in different spheres of government regulation of the economy and economic policy. After passing this course the students will know methods and instruments of economy's government regulation, as well as will be able to develop their own opinion at the choice of models of state regulation of the economy.
- Since graduates of master's programs often find work in ministries, banking systems or in the central bank, knowledge in the field of financial sector in Armenia is essential for successful work in these areas.



# ASSESSMENT AND GRADING



- The written test will form 50% of the final grade.
- The submission and presentation of the research paper will form 50% of the final grade.



# REFERENCES

- Financial Markets and Institutions, by Frederic S. Mishkin, Stanley G. Eakins, Pearson, 2017.
- The Alchemy of Finance, by George Soros, Paul A. Volcker, Wiley, 2015.
- Blog of Sandoyan E., [www.sandoyan.wordpress.com](http://www.sandoyan.wordpress.com)
- Annual materials of the World Bank, International Monetary Fund, etc.
- Legislation of RA and RF, normative acts of CB of RA.

# COURSE ASSIGNMENT 1



## *RESEARCH PAPER*

- The research paper is a study within a given topic for each student.
- Research structure:
  - 1. literature Review - 45% of the work.
  - 2. The analytical part - 45% of the work.
  - 3. Conclusions – 10% of the work.

# COURSE ASSIGNMENT 2



*Presentation of the research paper  
(slideshow).*

The student presents a presentation based on the research work. The presentation should be as interactive as possible so that the entire audience is involved in the discussion of the presented topic. The presentation form is free; the creative approach is desirable.



**THANK FOR ATTENTION**

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