

**MINISTRY OF EDUCATION AND SCIENCE
KYRGYZ REPUBLIC
KYRGYZ ECONOMIC UNIVERSITY
of M. RYSKULBEKOV
"Banking and Insurance" department**

IT IS APPROVED

" ____ " _____ 2017

Chairman of UMS

EDUCATIONAL AND METHODOLOGICAL COMPLEX

On discipline:

"Finance"

**for students of the higher education in the Economy direction 580100,
specialty "Taxes", "Accounting", "World economy"**

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It is considered and approved at a faculty meeting

On September "3", 2017, protocol No. 1

Bishkek -2017

STRUCTURE OF THE EDUCATIONAL AND METHODOLOGICAL COMPLEX OF DISCIPLINE

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The research of problems of formation and development of the monetary and credit market is of interest, as from the point of view of the characteristic of the current stage of economic development of the country, and in respect of assessment of its perspectives and potential. The subject "Finance" (F) is specialized course in the system of training of specialists in the specialty 580100 "Banking and insurance" of students 3 courses in 5-6 semester.

For students is one of composite theoretical courses in structure of special disciplines and it is designed to lay the foundation of knowledge of an entity and a role of securities market, about infrastructure and participants of the market, financial instruments, methods and mechanisms of regulation of the market.

Purpose: to give an integral idea of functioning of the monetary and credit market. Tasks:

- to allow an entity of money, the credit and banks to consider features of monetary circulation, the credit and banks in the modern conditions, to consider structure of the monetary and credit market, its functioning (professional participants, issuers, investors), their interaction in case of the organization of release and the address of money, the credit;
- to consider management system the monetary and credit relations;
- to give an idea of structure of the market of money, the credit and banks.

Subject of a study is the monetary system, the theory of the credit and banking operations, a research of the market of money and the credit and also methods, methods, tools, mechanisms of enhancement and strategic development of the monetary and credit market.

Prerekvizita of course: fundamental knowledge micro and macroeconomics, business economics, finance, RTsB, Econometrics.

Course post-attributes: the discipline of "Finance" is a basis for a study of the following disciplines: banking management, finance of corporations, financial management, international financial market addresses, money turnover, monetary system.

Bishkek -2017

PURPOSES AND PROBLEMS OF THE SUBJECT MATTER

"MONEY, CREDIT, BANKS"

The purpose of studying of discipline "Finance" is providing to students modern knowledge, skills of the theory of money, the credit and banks, acquaintance of students with the main sections of a course and arms their scientific and practical knowledge and skills at the rate of "F".

This course has target theoretical and practical focus for obtaining professional knowledge by future experts in the sphere of the organization and management of the monetary and credit relations.

The course "F" takes the central place among subject matters, the forming experts of the top skills of an economic profile.

It is aware of "F" the concept of money, the theory of money, the loan capital, laws of monetary circulation, money turnover, monetary system are considered.

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MINISTRY OF EDUCATION AND SCIENCE OF THE KYRGYZ REPUBLIC
KYRGYZ ECONOMIC UNIVERSITY
OF M. RYSKULBEKOV
"Banking and Insurance" department

WORKING PROGRAM

**On discipline:
"Finance"**

for students of the higher education in the Economy direction 580100,
specialty "Accounting", "Taxes and Taxation", "World economy"
Distribution of school hours

Only 4 credits
Course 3
Semester 5,6
Quantity border of control (BC) 6
SWR is 120 hours old,
Examination 5, 6 semester
In total classroom hours 120
In total out-of-class hours 90
General labor input of 270 hours

Bishkek -2017

PREFACE

1. The working program is developed on the basis of STATE in the Economy direction (specialty) 580100 "Banking and insurance" approved _____ № state registration
It is CONSIDERED and APPROVED at a meeting of the releasing department
"Finance and credit" protocol No. 2ot "10" of September, 2016.
Manager. the releasing "Banking and Insurance" department
Dr.Econ.Sci., and. about professor _____ Toksobayev B.T.
 2. Developer (i)
PhD in Technological Sciences, prof. _____ Abdyjaparov A. S.

Summary

Problems of development of the finance and credit relations as one of the most important elements of market economy are relevant at the present stage of development of economy of Kyrgyzstan. Formation of the finance market, the credit and banks is a difficult economic stage of development of Kyrgyzstan and in him all problems of formation of the credit and monetary relations reveal.

The market of money, the credit and banks is in a stage of reforming and as the main mechanism of redistribution, accumulations of monetary resources plays an important role in economy.

The program of discipline "Finance" is prepared according to the curriculum of the "Banking and Insurance" direction taking into account provisions of the Constitution of the Kyrgyz Republic, the Law of the Kyrgyz Republic "About NBKR" and "About banks and bank activity" is calculated on studying by students of 3 courses.

Technological aspects of the organization of educational process are:

- various forms of technology of training;
- types of educational activity;
- organization of independent work and assessment of results educational activity of students.

As independent work on discipline "Finance" students carry out: classroom examinations, tasks on independent works, the test examinations, the essay, reports and the presentations made with the teacher.

1. REQUIREMENTS TO THE LEVEL OF MASTERING OF CONTENT OF DISCIPLINE

As a result of a study of discipline of "Finance" the student shall have the following competences:

- to have a system idea of structure and tendencies of development of the domestic and international market of money, the credit and banks;
- to understand the economic processes happening in the monetary, credit and banking market in general;
- to be able to use knowledge of the theory of the monetary and credit market in future practical activities;
- to see perspectives and tendencies of development of the monetary and credit market;

The course "Finance" is connected to other disciplines approved by the curriculum for students on the Finance and Credit profile: "Finance", "RTsB" and "The state budget".

Purpose of this course. To give an integral idea of the theory of money, the credit and banks. To understand an economic role and an entity of money, the credit and banks, to consider features of a monetary and banking system, a condition of monetary circulation.

In this regard, the importance for mastering course, is played by visit of classroom occupations and systematic independent operation of students.

The organization of educational process when teaching course "Finance" is carried out according to curricula and carried out in the following forms: lectures, seminar and practical training, group consultations, discussions, business games, etc.

Classroom occupations are tightly interconnected with independent operation of students in case of a course study. On classroom occupations teachers give specific advice on an independent study of single questions of course on preparation for examination. For increase in efficiency of independent operation of students the department requires holding seminars where reports of students are heard. The active forms of independent operation of students is their involvement in research and development operation of department, in the interuniversity Olympic Games and scientific and practical conferences.

Problems of studying and mastering the course "Finance" give the grounds to demand from the student of knowledge of the Constitution of the Kyrgyz Republic, the Law "About NBKR" and standard and legal legislative documents of the money providing functioning of the market and the credit and also other state strategic documents on development of the monetary and credit relations. The student has to be able to be guided freely in Laws, bylaws and other standard and legal documents in the field of Finance.

Main types of control of knowledge of students are:

flowing (answers of students on a seminar and practical training, reports on seminar, holding examinations, testing, discussion of the problems existing in the monetary and credit market);

intermediate (check of written examinations, papers, reports, presentations, essay, certification of students);

total control (examination, offset).

The volume of a subject matter "Money, the credit, banks" and terms of her studying are defined by curricula.

3.1. The innovative technologies used in teaching discipline "Finance"

1. Use of resources Internet

Use of resources the Internet in this course is directed to involvement of students in professional community of bankers, to removal of barriers of communication with colleagues, and also training in use of the most relevant Internet tools.

Involvement of students in professional Internet community happens on the basis of familiarizing with use the Internet.

In the course of the occupation students receive data on the search engines books.google.com, ebdb.ru, nbkr.kg, minfin.kg join work about the Internet media bases and others.

2. Business games and situations

In the course of the occupations the priority is given to active forms of education, such as case study at lectures and business games on a practical training. On seminar occupations active training happens in the course of the business games.

4. VOLUME DISCIPLINE

4.1. Volume of discipline and types of study

Full-time courses (bachelor)

П/ П	TYPE OF STUDY	КОЛИЧЕСТВО ЧАСОВ ПО СПЕЦИАЛЬНОСТИ	
		580100- FINANCE AND CREDIT	ACCOUNTING, WORLD ECONOMY
1.	№ СЕМЕСТРА	5,6	5,6
2.	CONTACT HOUR:		
3.	LECTURE	60	60
4.	INDEPENDENT WORK OF STUDENTS	60	60
5.	CURRENT CONTROL	15	15
6.	TYPES TOTAL CONTROL	EXAMINATION – 5,6 SEMESTER	EXAMINATION – 5,6 SEMESTER
7.	IN TOTAL HOURS ON DISCIPLINE	135	135

4.2. Distribution of hours on subjects and types of study

П/ П	SECTION OF DISCIPLINE	TYPES OF STUDY, INCLUDING CPC, SRSP AND LABOUR INPUT (B ЧАСАХ)		
		IN TOTAL	LECTURE	IWS
1.	Concept of Finance.	2	2	
2.	Economic entity of finance, functions finance	6	4	2
3.	Main goals and tasks. Finance system and efficiencies	2	2	
4.	Release of finance in economic circulation	4	2	2
5.	Finance policy. Features of finance	4	2	2
6.	Financial mechanism	4	4	
7.	State finance and its organization	4	2	2
8.	Finance structure	4	4	
9.	Inflation. Forms of her manifestation, reason, social and economic consequences	4	2	2
10.	Concept and entity of finance	2	1	1
11.	History of origin of finance	2	1	1
12.	Functions and properties of finance	6	2	4

13.	Budget system	6	4	2
14.	Non budget system	4	2	2
15.	Tax system, type tax	6	4	2
16.	Function TAX	4	2	2
17.	Financial resources	4	2	2
18.	Private Finance	2	2	
19.	Corporative finance	2	2	
20.	Finance enterprise	4	2	
21.	Insurance	4	2	2
22.	Features of the modern financial systems	4	2	2
23.	Finance structure	4	2	2
TOTAL		120	60	60

Приложение 4

5. CONTENTS OF THE WORKING PROGRAM

№	Tems	Volume Hours			Presentation, TSE Training methods	Metod education	Competions formed
		Total	contacts	SSE			
1	Concept and entity of finance.	2	2	4	Presentation,	Discussion	AC-1,5,8, 13 PC-4,8
2	History of origin of finance	4	4	2	Presentation, .schems, picture	(case, Discussion	AC-1,5,8, 13 PC-4,8,9
3	Functions and properties of finance	2	2	4	Presentation, .schems, picture	team works.)	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
4	Role of finance in reproduction process	2	2	2	Presentation, .schems, picture	(case, Discussion)	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
5	Finance system, Features of finance	4	4	6	Presentation, .schems, picture	(case, Discussion)	OK-1,5,8, 13 ПК-4,8
6	State finance	2	2	4	Presentation, .schems, picture	(case, Discussion	OK-1,5,8, 13 ПК-4,8,9

7	Inflation. Forms of its manifestation and anti-inflationary program	4	4	4	Presentation, .schems, picture	(case, Discussion	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
8	Budget system	4	4	10	Presentation, .schems, picture	(case, Discussion	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
9	Income and outcome budget	2	2	6	Presentation, .schems, picture	(case, Discussion	OK-1,5,8, 13 ПК-4,8
10	function of the finance	4	4	4	Presentation, .schems, picture	(case, Discussion	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
11	Tax system	4	4	10	Presentation, .schems, picture	(case, Discussion	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
12	Non budget funds	4	4	10	Presentation, .schems, picture	(case, Discussion	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
13	International finance	2	2	4	Presentation, .schems, picture	(case, Discussion	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
14	Financial resources	2	2	4	Presentation, .schems, picture	(case, Discussion	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
15	Private Finance	2	2	4	Presentation, .schems, picture	(team works, Discussion	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
16	Corporative finance	2	2	6	Presentation, .schems, picture	(case, Discussion	OK-1,5,8, 13 ПК-4,8,9
17	Finance enterprise	2	2	4	Video	Discussion	OK-1,4,5,8,13 ПК-4,7,8,9,10,12
	ИТОГО	60	60	120			

The competence to be formed: OK-1;OK-4;OK-6;OK-7;OK-12;PK-1;PK-2;PK-8;PK-9;PK-13

Results of development

To know:

- 1) Concepts of finance weight, purchasing capacity of money, speeds of monetary circulation both other aspects and characterizing the monetary circulation law;
- 2) concept and essence of inflation;
- 3) the indicators measuring a condition of inflationary processes in economy;
- 4) finance policy tools inflations influencing size.

Be able:

- 1) to Analyze the basic indicators characterizing a condition of inflationary processes in economy;
- 2) to Reveal the factors influencing a condition of inflation;
- 3) to Count on the basis of the available data dynamics of inflation and to predict its value;
- 4) to Analyze historical and methodological aspect of regulation of inflation.

Possess:

- 1) the Basic methods of an estimation of a condition of inflation in economy;
- 2) Indicators of a condition of inflation;
- 3) Methods of the analysis of the factors influencing occurrence of inflation.

Educational methods:

Lectures – 2 hours

Practical training – 4 hours

Independent work – 6 hours

Forms of current control - Poll, the decision of problems, testing

1. The motivation of the course, course description, goals.

This course is a first course in finance and will cover the basic topics in finance and investments. Core concepts will include the time value of money, opportunity costs, arbitrage pricing, bond valuation, stock valuation, concepts of risk, portfolio theory, asset pricing and market efficiency. Basis statistics need for learning these concepts will be covered as well. These include measurement of arithmetic and geometric

means, expected values, historic and expected variance and covariance. This course is taught and tested in English. If this is a problem, take the class next fall.

2. Prerequisites A course in microeconomics, a course in calculus.

3. Course structure. Lecture, Projects (Empirical Testing) and Final Test.

4. Requirements. This course will be taught in English. As such, in addition to the prerequisites students must be at an advanced level in English. Students should expect the course to be extremely demanding and very time consuming: in addition to lectures and weekly review session, student should expect to spend 7 to 10 hours studying for this class *each week*. Writing in English will be integral to the course. Because this course implicitly is building in a lot of English language development, attendance and participation in class is necessary. Plan on attending every lecture and every session with the teaching assistant. Because attendance is extremely helpful for learning the necessary financial English, attendance at all lectures is mandatory. You need a simple calculator with no cellular, wi-fi, or other internet or phone connectivity. Cell phones and smart phones must be switched off during class. Computers and tablets may only be used for taking notes.

The place of finance in the system of the commodity-money relations.

- Finance is a dual economic category, a product of work of the capital, a result of process and distribution of income, since environmental management. Finance with use of accounting calculating system gives cost assessment to all components of the created benefits, including the natural substance attached from the nature in economy and also work live and work of cars. That is "ekonomization" of the nature is managed by the invasion into her, expansion of the capital containing energy of interests of subjects of assignment of the benefits which orientation and dosage among subjects is defined by finance and which countability is defined by accounting.

The dual nature of finance proceeds from state system, from the purpose of support with the benefits of all state system, and has a plan basis, is turned into the future. That is in relation to money — a real entity of the present in life — finance has a superiority and is the "plan money" previous real; at the same time this plan money estimated the debt relations of all subjects of economy — concerning creation and distribution of income at support of interests of the enterprises — generators, the state and all society.

Functionality in duality of finance:

1) function of accumulation of planned money — an essence of financial energy for future period. The planned money issued by the settlement sums in the table of the financial plan of fund or the budget sets parameters (sizes on months) for the movement of real money in the course of execution of the financial plan in a profitable and account part;

2) debt relations:

☒ function of establishment of the relations of participation in production of income;

☒ function of distribution of income between interested persons within the financial right.

Forms of finance.

Finance exists in certain forms of organized accumulation and purposeful action of financial energy. Distribution of income is planned in advance, and then executed. Therefore finance is planned category - it is planned money in which distribution and redistribution of income to planning period is presented. In practical economic work financial plans have the form of tables. Structural forms of finance are funds, budgets and reserves. A universal form is the budget, not without reason the most important financial document of the country is submitted in the form of the state budget. All called forms of finance are no other than financial plans of income and expenses on the forthcoming period (expenses of a reserve aren't defined). It is natural that the sums shown in planned tables aren't real money.

finance	Formation, distribution, use of income, accumulation, receipts by their owners	Distributive (formations of income), control (use of income)	Public and municipal finances, finance of commercial and non-profit organizations, households	Self-financing, budgetary financing, management of the public and municipal expenditures, deficiency, debts
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Finance in the system of economic tools.

The economy transfers the benefits of the natural world to values with own measure — cost by means of the financial registration device. At the same time the cost commensurability of all objects and elements in economy is reached. The values framed by one owners find other owners in the market through the special market organization, information support and the universal intermediary — money.

Economy — space of vital activity of mankind within environmental management; set of the objects which are artificially framed by the person and objects of the nature included in use and in production of the artificial benefits; set of the relations between owners concerning the benefits. The economic organism of the state is weaved from a set of the farms parted not only property borders, but also branch specifics. So, in a live organism there is an osteal skeleton, muscles, an integument, a circulatory and nervous system.

At the same time, proceeding from the main function of the financial system consisting in effective distribution of financial resources basic or key functions of this system are noted:

- providing ways of movement of economic resources in time, through borders of the state and from one branches of economy in others;
- providing ways of management of risk;
- providing ways of implementation of calculations;
- providing the mechanism of association of financial resources and division of possession in various enterprises;
- supply with the price information allowing to coordinate the decentralized decision-making process in different branches of economy;
- providing ways of a solution of the problem of stimulation when one of participants of the transaction possesses information which isn't possessed by another.

Finance and distribution of gross domestic product

Quantitative impact of the financial mechanism on social production is carried out through volumes of mobilization by authorities of tax and non-tax income, proportions of distribution of financial resources between spheres and links of a financial system of the country, depreciation charge methods, volumes of

government procurement, the amounts of financing from federal and regional target programs, sterilizations of money supply of oil and gas income, etc.

In this regard most of domestic authors equip finance with such functions as:

- distributive;
- control.

The movement of financial flows in economy of Kyrgyzstan in a general view is reflected in sources of formation and the main directions of use of the gross domestic product (GDP) as key indicator of results of economic activity of the state. The indicator of GDP has been entered in our country in 1994 in connection with gradual transfer of statistics of KR to the system of the national accounts accepted in the international practice. At distribution and redistribution of cost of GDP, foreign economic activity revenues, a part of a national wealth of GDP as the result of gross production without intermediate consumption breaks up to primary income (profit, income from property, indirect taxes, the salary, the mixed income) and depreciation which first of all form financial resources of the organizations, the state and households.

The central place in model of market economy is taken by group of economy by sectors for the purpose of the analysis of financial flows of income and expenses, assets and liabilities in the economic entities which are legal entities (institutional units). The movement of cash flows is carried out by the following sectors of economy:

- 1) non-financial corporate and quasi-corporate enterprises;
- 2) financial institutions;
- 3) insurance enterprises;
- 4) state bodies;
- 5) the private non-profit organizations serving households;
- 6) households.

At the same time in market economy economic system, its integrity as at the level of world economy, and national economy has absolutely other qualitative

characteristic caused by the central role of finance in the economic relations, change of emphases from the general economic balance on financial balance in national economy.

Finance exerts impact on social production through volumes of mobilization by authorities of tax and non-tax income, proportions of distribution of financial resources between spheres and links of a financial system of the country, formation of income of the population, depreciation charge methods, volumes of government procurement, financings of federal, regional, municipal target programs, sterilization of money supply, etc.

Public finances are connected with redistribution of cost of GDP in monetary forms through tax and non-tax methods what GDP share accumulated in the budgetary system testifies to. The tax system of Kyrgyzstan created at the beginning of the 90th hasn't solved all problems. There is debatable a question of the size of a tax burden, of a ratio of size of the public expenditures and rates of economic growth, of existence of unambiguous communication between these indicators.

In total the monetary relations there are diverse interrelations between the state and economic subjects, between them and in them in which the specifics of regulation are inherent:

- functioning of the main financial institutions — banks, insurance companies, the pension funds, etc.;
- stock markets and related investment activities;
- actually financial management of the organizations.

The first two directions usually consider as a financial environment or the financial infrastructure providing activity of the real sector of economy, the third — financial management directly spheres.

The modern state is included in these fields of activity, being engaged:

- development of legislative system;
- protection of the competitive environment;
- redistribution in society, correction of public benefits and services;
- stabilization of economy and stimulation of economic growth and other

Process of redistribution affects the movement of means between economic subjects. Redistribution happens through:

1) budgetary system:

o receipt in the budget of direct taxes on the profit of the organizations, the income of natural persons;

o state and municipal loans;

o monetary transfers to the organizations, households as expenditure of budgetary funds (allocation, a subsidy, a subvention, pension, etc.);

2) financial market:

o attraction of financial resources by issue of securities, placements of shares and shares, credit agreements and loans by one economic subjects and simultaneous placement of temporarily available funds in the corresponding assets with other subjects;

o receipt of dividends, percent; insurance premiums and insurance compensations (payments).

In the real sector of economy a number of financial instruments is applied:

- the state financial support of agricultural producers in the form of subsidizing of percent for use of the bank credit;
- financial support of development of small business through special funds, granting soft loans (loans), guarantees or guarantees for the credits obtained by small enterprises, individual entrepreneurs in commercial banks, providing financial aid on a paid and gratuitous basis, individual share in creation of economic entities;
- the state customers at the conclusion of government contracts on purchases and deliveries of production for the state needs are obliged to place not less than 15% of the total amount of deliveries with small business entities;
- financial stimulation of investment activities provides use of the investment tax credit in KR

A. Smith about taxes. "As it has been already found out in the first book of this research, private income of individuals is gained, eventually, from three sources:

- 1) rents;
- 2) profits;
- 3) salary.

Each tax has to be eventually we pay from this or that of these three different types of income or is identical from all of them...

- The subject states have to, whenever possible, according to the ability and forces to participate in the maintenance of the government, that is according to income what they use under protection and protection of the state...
- The tax which undertakes to pay each individual has to be precisely defined, but isn't any. The payment term, a method of payment, amount of payment — all this has to be clear and defined for the payer and for any other person...
- Each tax has to be raised at that time or that way when and as it has to be most convenient to payer to pay him... Taxes on such consumer goods which represent luxury goods finally are paid all by the consumer and usually in such a way what is very convenient for him. He pays them gradually as he buys the corresponding goods. And as he is free to buy or not to buy them, his own fault if he ever has to test a little considerable inconvenience from such taxes.
- Each tax has to be so conceived and developed that it took and held from people pockets perhaps less in excess of what he brings to treasury of the state. Can levy or hold a tax from people pockets much more, than he brings to treasury in four next ways:

In statistics in view of complexity of calculation of this key macroeconomic indicator three methods of calculation of GDP are applied:

- 1) production;
- 2) method of use of income;
- 3) a method of formation of GDP on sources of income.

When calculating by the GDP production method it is formed as the sum of the value added created in branches of economy.

The method of use of income when calculating GDP represents the sum of expenses on final consumption, gross accumulation and net export.

Calculation by a summation method on sources of income is less reliable as in the modern KR economy it can't almost be made.

GDP are included, besides production of goods and services in basis prices of producers, net taxes on products and import (excises and the VAT and also taxes on import goods and services established by the law belong to taxes on products first of all). The term "clean" means that the budgetary subsidies are excluded from the total amount of taxes.

At assessment of volumes and the GDP loudspeakers it is necessary to consider that as a part of release of goods and services (and, therefore, and as a part of receipts in GDP) the statistics considers release them in the informal sector of economy. At a present condition of statistical account in Russia, huge scales of shadow economy and evasion from taxes these "additives" to documentary issued outputs have in many respects any character. Even according to statements of official officials, the percent shadow, evading from account and payment of taxes of income makes 30 — 40%. Besides also determination of the production of products and services in households has any character.

contributions and insurance compensations (payments).

The main tendencies in development of financial science in a universal context are specified on:

- the unconditional prospects of researches within the neoclassical theory of finance which are concentrated generally on formalization of regularities and operations in the capital markets;
- recognition of prospects of further development of application-oriented aspects of the neoclassical theory of finance — financial management;
- need of further structuring and solution of problems of globalization of the international finance and financial markets;
- increasing interpenetration of accounting and application-oriented finance (finance of the enterprises);

- recognition of a problem of reconsideration of a role of market mechanisms in the international and national financial systems.

Arisen under the influence of an economic crisis of 1929 — 1933,

J.M Keynes's theory recognized impossibility of automatic achievement of equilibrium of state of the economy. "The most considerable defects of economic society in which we live are its inability to provide full employment and also its arbitrary and unfair distribution of wealth and income" — J. Keynes marked. In these conditions achievement of stabilizing is laid to the state which was recommended to influence three key economic variables: tendency to consuming, the marginal efficiency of the capital (expected rate of return) and interest rate. The main task of economic policy of the state consisted, according to J. Keynes, in control of cumulative demand, and the main instrument of carrying out a policy of demand management was the state budget which was considered as a stabilizing factor of production.

The Keynesian theory of public finances rejected a doctrine of the balanced budget, legalisation and proved the budgetary deficiencies for priming of economy that in the conditions of crisis or a depression the state has to reduce taxes and increase expenses of the state budget, allowing budget deficit and thus enhancing additional demand in "sluggish economy". At a high environment financial policy has to constrain demand by increase in taxes and restriction of expenses. The budgetary deficiencies could remain also by the growing production for priming of economy and achievement of the greatest growth rates.

Basic provisions, defended Keynesians in the field of the theory of money, the following:

1. The market economy represents unstable system with many internal "defects". Therefore the state has to use regularly various instruments of regulation of economy, including monetary and credit.
2. The chain of relationships of cause and effect of the offer of money and nominal GNP is as follows: change of the monetary offer is the reason of change of level of

an interest rate that in turn leads to change in investment demand and through multiplicative effect – to change in nominal GNP.

3. The main theoretical equation on which Keynesianism is based:

$$Y = C + G + I + NX,$$

where Y – the nominal volume of GNP, C – consumer expenses, G – the public expenditures on purchase of goods and services, I – private planned investments, NX – net export.

4. Keynesians note that the chain of relationships of cause and effect between the offer of money and nominal GNP is enough broken, and the Central bank when carrying out monetary policy has to have the considerable volume of economic information (for example, how change of an interest rate and respectively will affect investment demand as size GNP will change). Besides, between a gain of money in circulation, investments and filling of the market a certain time lag exists for goods and services. And at last building of the monetary offer at invariable demand can bring economy, in addition, to a so-called "liquid trap": the interest rate can decrease to critical level that will mean exclusively high preference of liquidity. (We will remind: the low interest rate demonstrates that securities are too expensive, therefore, people refuse their acquisition, hold savings in the form of money). If at the same time the offer of money continues to increase, then the interest rate can not react to it since below a certain level it can't fall any more. If the rate of percent doesn't react to change of the monetary offer, then the chain of relationships of cause and effect between growth of quantity of money in circulation and nominal GNP is torn.

5. Due to the above Keynesians consider monetary policy not a so effective remedy of stabilization of economy as, for example, fiscal or budgetary policy.

In the Keynesian concept the behavior of the consumer is interpreted essentially otherwise. First, the size of income acts as exogenous parameter. Secondly, the volume of consumption depends only on the current located income. Thirdly, distribution of income to consumption and saving depends not on the objective parameter of an economic environment (current bid of percent), and on preferences of the consumer: traditions, the developed outlook, public installations, etc., that is from factors of subjective character.

Keynes emphasized that the probability that the household will change the consumption as a result of fluctuations of an interest rate to one or two points, is very low. As for savings, if they can also be presented as the function from an interest rate as which isn't decreasing, but not increasing function.

Keynes has formulated dependence of consumption on an absolute value of the current located income in the form of the basic psychological law according to which "people are inclined to increase, as a rule, the consumption with growth of income, but to a lesser extent, than income grows". This conclusion is drawn "not only for aprioristic reasons, proceeding from our knowledge of human nature, but also on the basis of detailed studying of last experience".

Keynesian concept of employment

The Keynesian concept is under construction on other postulates. First, production factors in the short period aren't interchangeable. Secondly, the economy isn't economy of the perfect competition, and labor market is most imperfect. Thirdly, the nominal salary isn't flexible.

The rigidity of nominal salary is explained by two circumstances. First, in real economy there are institutional factors interfering flexible change of nominal salary such as collective agreements and labor unions. Secondly, households possess monetary illusions, perceiving any decrease in nominal salary as decline in living standards even if at the same time also the general reduction of prices is observed.

Thus, the monetary rate of salary if can change, then only in one party — towards increase, and process of her growth has no permanent character.

As a result economic subjects are guided at making decisions on sale and purchase of work not on real, and is exclusive on the nominal salary.

Demand for work

If in the neoclassical concept labor market is dominating, then in Keynesian model it holds the subordinated position.

According to the Keynesian concept businessmen show demand for such number of work which will allow them to carry out the offer of the benefits in a size necessary for satisfaction of effective demand which Keynes has determined as the value of cumulative demand which is actually realized at this price level. That is demand for work is function from effective demand for the benefits.

$$ND=f(y,+). (3)$$

Graphical representation of Keynesian function of demand for work is displayed in fig. 1.

Fig. 1. Model of formation of demand for work in the Keynesian concept of employment

In the first quadrant the size of effective demand — at is defined'. The size of effective demand is projected on the schedule of production function of the short period of $y(N)$, demand for work at a rate of N_0 as a result is defined. The projection of the found value of demand for work to the schedule of extreme productivity determines the price at which businessmen agree to gain the number of the work N_0 , that is a rate of nominal salary — W_0 .

Change of a rate of the salary exerts impact on the size of demand for work, but in the limits set by the volume of effective demand.

In case of decrease in a rate of salary below W_0 businessmen all the same won't be able to employ workers more, than N_0 as differently the offer of the benefits will exceed effective demand, and in the market of the benefits is formed surplus.

In case the rate of salary exceeds W_0 value, businessmen will reduce demand for work, however, we will notice, it will demand also correction of conditions of balance in other markets.

Therefore the function graph of demand for work doesn't coincide with the schedule of extreme productivity, and represents the broken A-B- N_0 line.

Function of extreme productivity is used for determination of m

The Soviet financial science, being originally formed at works of the predecessors, prior to the beginning of the 30th of the XX century I supported provisions of pre-revolutionary financial school which saw fundamental difference of financial economy from private enterprise that finance will be organized by the state.

So, A.I. Bukovetsky in work "Introduction to financial science" (1929) has put forward the following provisions of the theory of finance:

- finance is integrally connected with activity of the state;
- their characteristic feature is restriction with borders of the state sphere;
- the concept of finance doesn't extend to the monetary relations in the enterprise, trade, etc.;
- finance it is not money, not resources, but the public relations;
- the financial economy is compulsory economy: if the coercion moment disappears, then also the financial economy will disappear.

In the conditions of state ownership on means of production and the planned system of managing the theory of socialist finance (V.P. Dyachenko, A.M. Alexandrov) has been developed. Further the main concepts of finance — distributive (L.A. Drobozina, V.M. Rodionova, N.G. Sychev, V.G. Chantladze, etc.),

reproduction (D.A. Allakhverdyan, P.S. Nikolsky, V.K. Senchagov, etc.) and imperative were issued (E.A. Voznesensky). According to the imperative concept finance is caused by existence of the state, and it gives them the imperative (state and imperious) form.

At the same time attention is paid not only to public finances as the redistributive monetary relations, but also finance of economic entities in new market conditions. With development of the market relations, joint-stock (corporate) forms of business, merging of industrial and banking capital, emergence of the various financial institutions which are engaged in accumulation and redistribution of free money (financial intermediaries), the term "finance" is beyond his narrow understanding only as public (public) finances. Also two rather independent sciences about finance — science about public finances and science about finance of the enterprises, organizations, corporations, that is economic entities (financial management) .

Recently methodological bases of financial management join in textbooks according to the theory of finance as rather independent direction of financial science. In particular, it is indicated that the foreign school of financial management has begun to develop in connection with development of corporate form of ownership as the most adequate to requirements of development of productive forces, strengthening of a role of the financial capital and formation of the stock market. Management of the capital becomes separate function of management and is allocated in institutional structure of the capital.

At the same time influence of Anglo-American school more and more actively affects development of financial science in our country (works on the modern theory of finance of L. Krushvits, Nobel Prize laureates F. Modigliani and M. Miller, J. Stiglitz, etc.). The current state of financial science in Kyrgyzstan, logic of her structuring, the interpretation of basic sections, categorical and scientific tools are stated in the educational and methodical works which have come out in recent years under Alyshbayev's edition J, T. Koychuyeva, etc.

The main tendencies in development of financial science in a universal context are specified on:

- the unconditional prospects of researches within the neoclassical theory of finance which are concentrated generally on formalization of regularities and operations in the capital markets;

- recognition of prospects of further development of application-oriented aspects of the neoclassical theory of finance — financial management;
- need of further structuring and solution of problems of globalization of the international finance and financial markets;
- increasing interpenetration of accounting and application-oriented finance (finance of the enterprises);
- recognition of a problem of reconsideration of a role of market mechanisms in the international and national financial systems.

Arisen under the influence of an economic crisis of 1929 — 1933, J. Keynes's theory recognized impossibility of automatic achievement of equilibrium of state of the economy. "The most considerable defects of economic society in which we live are its inability to provide full employment and also its arbitrary and unfair distribution of wealth and income" — J. Keynes marked. In these conditions achievement of stabilizing is laid to the state which was recommended to influence three key economic variables: tendency to consuming, the marginal efficiency of the capital (expected rate of return) and interest rate. The main task of economic policy of the state consisted, according to J. Keynes, in control of cumulative demand, and the main instrument of carrying out a policy of demand management was the state budget which was considered as a stabilizing factor of production.

After World War II the withdrawal tendency from large stabilization actions began to be shown. So, for example, with coming to power of the government of M. Thatcher in Great Britain and R. Reagan's administration (1981) in the USA the concept of all system of the state intervention in economy has been cardinaly changed. These changes observed in financial policy of the countries with developed economy in the 80th are connected with "the new phenomenon" in economic science — the theory of "offer economy" as opposed to Keynesianism which paid the main attention to regulation of demand. Her emergence has been connected with M. Friedman's researches in the field of life cycle and the concept about constant income, A. Laffera — the author of "a tax curve".

The special part in this theory was assigned to public finances, reduction of taxes, the public expenditures, reduction of quantity of money in circulation by means of policy of high percent. These recommendations of monetaristic school have been submitted on reduction of the state intervention in economy, inflation delay, increase in rates of economic growth. As a result of tax reform of 1981 the actual

rates of taxes on revenues of corporations and natural persons have been lowered that promoted activation of investment activities of business and increase in living standards of a general population. At the same time assumed that reduction of taxes won't lead to decrease in tax revenues (according to A. Laffer's curve), however reduction in taxes has led approximately to proportional reduction of tax revenues.

Public finances in market economy are represented by the important, but not the only and dominating instrument of interaction of the state and the market. The universal key instrument of impact of the state on economy is the budget, public finances in combination with an administrative resource, legislative activity. The state has serious influence on noncommercial and commercial structures which don't belong to him. His influence is carried out by means of credit, monetary policy, the taxation, the public expenditures, legislative regulation.

The economy of the public sector is based on the theory of public finances, has historically grown from this theory, considering the budget in categories of supply and demand of the benefits, the theory of taxes and redistribution, forming synergetic approach to resources and results of activity of the state as to production, exchange and distribution of special type of economic benefits — the true and mixed public benefits. At the countries with social orientation of economy the high specific weight of the public expenditures remains.

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All this demanded change of informative filling of the unit of the financial disciplines which were traditionally taught at the domestic universities. Leaving from the state monopolism and one-man management in the financial sphere led, at least, to two essential changes.

- Radically the content of discipline "Finance" changed: if earlier it was understood only as public finances, then nowadays its subject extended to finance of the enterprises, insurance companies, households, the financial markets, etc.
- There were essentially new disciplines which were not existing earlier in view of absence of an object of research, somehow: financial management, financial markets and institutes, financial risks, portfolio investments, etc.

As the independent scientific direction financial management was created relatively recently — at the beginning of the 60th of the 20th century.

By this time by efforts of Harry Markovits who laid the foundation of the modern theory of a briefcase (the response to the question "Where to Make Money?"), Franco Modigliani and Merton Miller who developed bases of the theory of structure of the capital (the response to a question: "From where to take the required money?") and also other scientists publishing the operations on this subject (D. Durant, J. Lintner, J. Uilms, etc.), the modern theory of finance which gemmated from application-oriented microeconomics was created (other very widespread name of this direction — the neoclassical theory of finance).

The neoclassical theory of finance is based on four initial theses (parcels):

- 1) economic power of the state and stability of his financial system substantially are defined by economic power of the private sector which center large corporations are;
- 2) intervention of the state in activity of the private sector is minimized;
- 3) from the available sources of financing defining a possibility of development of large corporations the main are profit and the capital markets;
- 4) internationalization of the capital markets, goods, work leads to the fact that the general tendency of development of financial systems of the certain countries is the aspiration to integration".

At the same time, proceeding from the main function of the financial system consisting in effective distribution of financial resources basic or key functions of this system are noted:

- providing ways of movement of economic resources in time, through borders of the state and from one branches of economy in others;
- providing ways of management of risk;
- providing ways of implementation of calculations;
- providing the mechanism of association of financial resources and division of possession in various enterprises;
- supply with the price information allowing to coordinate the decentralized decision-making process in different branches of economy;
- providing ways of a solution of the problem of stimulation when one of participants of the transaction possesses information which isn't possessed by another.

The financial relations, expressing the continuous movement of cost, circulate at all levels of world and national system of managing:

- the financial relations realized with participation of international financial institutions, states and separate legal entities, defined as the international (international) finance;
- the financial relations which are carried out with direct participation and for the benefit of the state, defined as the public (public) finances;
- the financial relations at the level of certain economic subjects of various legal forms and fields of activity;

to integration".

Methods of the state financial regulation are the budgetary and tax policy, price control and tariffs of natural monopolies,

ways of charge of depreciation, the state guarantees, insurance and crediting, forms of support of small business.

So, tax regulation in world practice includes the progressive system of the taxation of income of citizens, rather high rates of a tax on the inherited property, privileges at the taxation of small enterprises, innovations, investments. The special tax modes are applied to small business enterprises. Tax benefits are established for special economic zones (on a land tax, the property tax, etc.).

The regulating taxes (income), grants, subventions, subsidies act as methods of the interbudgetary regulation.

Methods of financial regulation in the social sphere are such social standards as a living wage, minimum wage, pensions, grants, grants, compensations, subsidies, monetary financial support, etc.

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Role of finance in the mechanism of public and private partnership. Such mechanism of development of the KR economy as public and private partnership, is turn towards the state participation in development of real economy at preservation of regulation at the macroeconomic level which in many respects constrains inflation, strengthens soms, increases gold and exchange stocks of the country.

It is important to note that the state enterprises or the enterprises with the state participation function as subjects of the market relations and the possibility of their partial or full privatization is open

Organizational measures are how important for innovative development of economy, again sets an example of China. In Kyrgyzstan in 2 on one thousand scientists times more the population, than in China, are 2,5 times more than graduates of engineering specialties. At the same time in the world market of the knowledge-intensive production the share of China reaches 6%, and Kyrgyzstan — about about 0,02%.

Entity of the financial market

The financial market takes the leading place in the providing financial system of the state. Its certain sectors — share, credit, insurance, etc. — allow to coordinate activities of all financial system by means of market mechanisms, realizing cash flow in the course of distribution and redistribution of a cumulative public product and also formation and use of monetary funds of the main subjects of the financial relations. Together with other types of the markets (labor market, real goods) the financial market is the most important attribute of market economy.

Economic entities, the state, households, financial credit institutions and different financial intermediaries appear subjects of the financial market.

Financial intermediaries provide direct connections between the main subjects of the financial relations, assisting them in formation and effective use of monetary funds. Commercial and savings banks, the credit unions, investment funds and the companies, the pension funds, insurance companies, stock exchanges are among the main financial intermediaries. Being between creditors and borrowers, financial intermediaries if necessary integrate means of several creditors for satisfaction of the considerable needs of borrowers and also undertake probable risks (risk of liquidity, credit risk, percentage risk), earning a commission for services.

The principal assignment of the financial market consists in support of effective distribution between end users of financial resources. At the same time the opposite interests of participants of the financial market, big risks of execution of financial obligations, etc. shall be considered different, occasionally.

In literature there are different approaches to determination of the concept "financial market". From the economic point of view it represents the system of the economic relations connected to acts of issue of securities, their placements and also acts of purchase and sale of financial instruments (goods of the financial market). From the organizational point of view the financial market can be considered as set of financial institutions, the economic subjects which are realizing issue, a purchase and sale of financial instruments.

So, the financial market represents the market in which purchase and sale of financial assets (tools) is carried out:

- money;
- foreign currency;
- securities;
- banking loans;
- gold and other precious metals;
- insurance policies;
- urgent contracts, etc

Segments (sectors) of the financial markets the Making elements

1. The monetary market (the market of money) - Circulation period of financial instruments makes less than 1 year: market of money, deposits, certificates, interbank credits (MBK)
2. Circulation Period of Financial Instruments capital market over a year (market of the loan capital, bank loans)
3. Securities market Stock market, bonds
4. Foreign exchange market Market of euro, US dollars, pounds sterling, etc.
5. Insurance market Market of personal insurance, property, enterprise risks, insurance of responsibility
6. Real estate market Market of the land plots, apartments, non-residential premises, etc.

7. Market of precious metals and stones Market of gold, silver, diamonds, rubies, etc.

8. Market of auditor services =Obligatory audit of credit institutions, banking groups, holdings as the stabilizing production factor.

For Kyrgyzstan the important purpose is creation of the financial market performing a number of the major functions in the mechanism of market economy of the Territory.

- Ensuring payments in economy with the minimum transaction expenses for participants of transactions.
- Attraction of temporarily available funds and ensuring sufficient level of crediting in economy with the minimum expenses for creditors and borrowers.
- Diversification of risk between creditors, borrowers and financial intermediaries.
- Providing modulation of the capital.
- A possibility of adequate assessment of a condition of the separate companies and economy in general on indicators in the financial market.
- An opportunity to influence the rate of inflation and economic activity.

Role of the financial market.

The financial market — the organized or informal system of trade in financial instruments. In this market there is an exchange of money, granting the credit and mobilization of the capital. The main role is played here by the financial institutions directing cash flows from owners to borrowers. Money and securities act as goods actually.

Directions of improvement of the financial market of Kyrgyzstan

For improvement of system of regulation of the financial market increase in efficiency of interdepartmental interaction and elaboration of uniform approaches

to development and regulation of all sectors of the financial market, including standardization of requirements to participants of the market are necessary, for issuers and institutional investors, development of self-regulation in the financial market, interaction of self-regulatory organizations with public authorities.

It is necessary to consider a question of a possibility of association of functions on regulation of all segments of the financial market (share, insurance, bank activity, activity of the non-state pension funds) and creation of mega-regulator and also about a possibility of integration of supervision of various institutes of the financial market in one federal body.

It is necessary to provide use of accurate and clear procedures of carrying out supervision of activity of financial institutions. For this purpose it is necessary:

- improvement of system of a risk management of professional participants of the financial market;
- strengthening of a role of the arbitration courts in consideration of disputes in the financial market and increase in competence of judicial authorities (arbitration court) of disputes in the financial market, including by introduction of specialization of judges concerning the financial legislation;
- optimizing requirements to the reporting of the financial organizations, introduction of standards of public disclosure by professional participants of the financial market of information on the activity;
- ensuring disclosure of information on results of management of means of pension savings on the basis of the uniform standards allowing to compare results of management of the specified means;
- improvement of requirements to investment of funds, structure and structure of assets of the financial institutions which are carrying out investment activities in the financial market and also introduction of uniform requirements for management of the corresponding assets.

Financial risks and crises

The national financial market allows not only to accumulate and redistribute financial resources, savings of the population, but also to spread risks, to assume influence of a global financial system. Many emerging economies have taken measures to ensuring financial safety, decrease in her threats, including risks of non-

payments, currency and other risks. In the conditions of financial globalization the value of the analysis of these risks increases. Are a part of the analyzed indicators:

- the efficiency of economy counted proceeding from the predicted change of GDP of the state;
- the debt level counted taking into account the size of debt, quality of her service, volume of export, balance of a foreign trade turnover;
- availability of the bank credits;
- level of solvency of the country, etc.

The history of world financial shocks shows that the market economy doesn't exist without financial crises. So, it is noted that, "perhaps, it is the progress price, the price which the mankind pays for powerful dynamics of a material civilization of two last centuries. At the same time the history learns: permanent crises don't happen, in market economy are put as well possibilities of recovery from the crisis. It is not only about the financial crises which are elements of a business cycle but also about big inflations, about the periods of totalitarian violence over economy, about the frustration of finance generated by wars. The history teaches us optimism lesson. Financial crisis of KR which explosion has taken place in 2007 included the following elements:

Paralysis of a banking system — temporary or final closure of hundreds of commercial banks, violation of the mechanism of calculations through banks;

- freezing of means of the enterprises on bank accounts;
- an impact of investors on banks, refusal of banks in return of deposits of the population, introduction of different confiscatory schemes of settlings with investors;
- the crash of the stock market which has hardly got on feet — repeated falling of share prices of the companies.

Among indicators of economic security indicators of financial safety from which are distinguished are important:

- macrofinancial;
- price;
- the reflecting processes and a condition of the financial markets;
- connected with bank activity;
- reflecting the level of savings and investments in economy;
- concerning the foreign exchange market and rate of national currency.

Indicators of financial safety.

- Macrofinancial indicators:
 - o level of monetization of economy;
 - o the indicator of volume and structure of monetary supply and demand in economy;
 - o level of ensuring monetary base with gold and foreign exchange reserves;
 - o criterion of sufficiency of gold and foreign exchange reserves;
 - o indicator of the minimum (threshold) level of gold and foreign exchange reserves;
 - o level of illegal outflow of the capitals;
 - o the critical level of change of a real interest rate, both on credit resources, and on deposits;
 - o profitability of economy (key industries).
- The indicators characterizing ratios of savings and investments in economy:
 - o a ratio of investments and savings in economy;
 - o structure of savings in national and foreign currency;
 - o underexploitation of investments for capital investments

Tax system

Taxes have appeared with division of society into classes and emergence of the state as "the contributions of citizens necessary for contents... public power...". In the history of development of society still any state couldn't do without taxes as for performance of the functions on satisfaction of collective requirements he needs a certain sum of money which can be collected only by means of taxes.

The system of the taxation in the Kyrgyz Republic has been put into operation since the beginning of 1992. The Constitution of KR, the Tax Code of KR, the Criminal code of KR, the Civil code of KR, the Administrative code of KR, the Labour code of KR and other laws belong to the regulations establishing the norms regulating tax legal relationship. Also decrees of the President of KR, the resolution of the government of KR and also acts of the Ministry of Finance of KR, the decision of local public administrations and local governments which have obligatory character belong the resolution ZhK KR and its chambers. A specific place in the legal system of the country is held by international treaties and agreements. The Tax Code of KR (KR Oil Company) is the basic law in the system of the normative legal acts regulating the taxation in KR.

Traditionally tax system performs several main functions in economy. Among them there is a collecting necessary means for implementation of the state account programs and economic regulation. We will consider features of realization of these functions of tax system in modern economy of Kyrgyzstan. Providing sufficient income of the state budget is a paramount problem of tax system of the country.

Today the most important sources of income of the state budget are the VAT, excises, income tax, income tax. From other obligatory payments in state revenues contributions to Social fund have big specific weight. The increasing role of the VAT and the decreasing value of excises attract attention. A number of taxes brings insignificant income (the local taxes and taxes on small business collected on the simplified scheme, first of all).

In recent years the state has been forced considerably to cut down the expenses, including on strategically important education and health.

For functioning of tax system the efficiency and transparency of account programs of the state are crucial. Citizens law-abiding pay taxes only when see and understand that their means are really spent for the socially useful purposes. From the macroeconomic point of view increase in tax revenues is an essential task. It has to allow to reduce deficiency of the state budget and to provide stability of the public external debt.

The tax system is an important part of structure of economy of any state and therefore her influence on sustainable development of society can't be underestimated. Today at assessment

The monetary circulation law.

Monetary weight, the sum of the prices of the goods and services, the credit, mutual and non-cash payments, speed of the reference of money and their interrelation. A problem of quantity of the money necessary for the reference. Calculation of quantity of the money necessary for the reference. Monetary weight and requirements of a monetary turn. Concept of purchasing capacity of money. The factors defining quantity of active money. Monetary weight as set of active and passive money. The factors influencing change of volume of monetary weight. Speed of the reference of money. Infringement of the law of monetary circulation and its reason.

Concept and essence of inflation. Inflation as overflow of channels of the monetary circulation, connected with infringement of the law of monetary circulation. A rise in prices and inflation. Loss by money of a part or all functions and inflation. Inflation as difficult social and economic process. Inflation as multiple-factor process. Industrial, monetary, воспроизводственные and social groups of factors of inflation. Extreme forms of inflation. Opened and a hidden inflation. An index of a rise in prices and open inflation. Moderate (creeping), galloping both a hyperinflation and their historical examples. Demand inflation, inflation of the distribution costs, imported inflation. Definition of rates of inflation and factors, on them influencing. Increase in actives of the Central Bank and inflation. Structure of actives of the Central Bank as a determinant of sources of inflation. Credit issue of the Central Bank and increase in monetary base and monetary weight. Logs between change of volumes of monetary weight and a rise in prices. The factors influencing size of a log.

The mechanism of development and inflation measurement. An initial stage of inflation: a parity of monetary weight and the prices. The basic stage of inflation. Overflow of channels of monetary circulation. Growth of weight of money and speed of their reference. Indicators of price indexes.

Consumer price index and methods of its calculation. Concept of cost of "basket" of consumer goods and services and its dynamics. Summary CPI in the USA. Calculation CPI in the KR. A rate of inflation on the basis of calculations CPI. CPI and purchasing capacity of money. A price index of manufacturers (IPM) as an index of change of wholesale prices. Three cores IPM: G.Paashe, E.Laspejresa and I.Fisher's price index. Methods and features of their calculation. Applicability of price indexes of manufacturers. Gross national product deflator as the tool of the statistical analysis of inflation. Methods of its calculation. A cost of living index.

Anti-inflationary policy. Currency reforms and an anti-inflationary policy. Concept of currency reform. Kinds of currency reforms. A nullification. Devaluation. Revaluation. Denomination. Anti-inflationary policy types: the deflationary policy

and a policy of incomes. Economic Content the deflationary policy. Methods: decrease in state expenses, increase of interest rates for the credit, increase in taxes. The efficiency analysis of targeting the monetary weight. Concept of inflation targeting and comparison with targeting the monetary weight. A policy of incomes and social contradictions. Social and economic consequences of inflation. Features of inflation in the KR in 2010-2016 Transition to a mode of inflation targeting in the KR.

National (sovereign) monetary system.

Concept of national monetary system. Its elements. Monetary unit (tally). The Standard of price. Kinds of bank notes: credit both paper money and their emitters and appointment. Issue system. The issue legislation. Concept of the issue center.

National currency system.

Concept NCS. Interrelation of national monetary and currency systems. Basic elements NCS. National currency. Conditions of convertibility (convertibility) of national currency. A mode of the rate of exchange. Parity of national currency. The international liquid position of the country and its national regulation. A regulation of international payments of the country and use of the international proceeds of credit. A mode of the national currency market and the gold market. National currency regulation and currency control. Kinds of convertibility of currencies: external, internal, freely and partially reversible currencies, the closed currencies. Conditions of convertibility of currencies. Direct and indirect methods of currency regulation. Currency restrictions and currency liberalism. Direct and indirect quotations. Fixed and floating rates. The international currency liquidity. Structure of the international liquid reserves. Демонетизация gold. Key (reserve) currencies. Collective currencies: SDR, ECU, AzKjU, euro, rewater rouble. A reserve position of the country in IMF.

Regional currency system. Concept, basic elements. Formation and evolution. Currency zones and currency blocks of 1930th Currency wars after Great depression. Regional currency integration after II World war: the European currency union, currency integration of member countries SEV, the Asian, Interamerican and African banks of development, a zone of franc, the currency union of the countries the Benelux countries. Optimum currency zones and their basic criteria. Euro zone. Dollarization as the form regional currency integration. Mercosur, NAPHTA, CAOR, Andes community. A zone of euro in the conditions of global financial crisis. The basic methods of regulation of regional currency systems.

The international currency system. Concept. Basic elements. Reserve currencies and international счетные units. A gold role in modern world currency system. Conditions of mutual convertibility of currencies. Interstate regulation of world currency system and the international currency liquidity. Unification of

norms and rules of use of the international credit money and international payments.

Money-credit policy

Monetary (or monetary) policy – a policy of the state, affects the amount of money in circulation in order to ensure price stability, full employment and growth in real output. Implementing monetary policy the National Bank.

Impact on macroeconomic processes (inflation, economic growth, unemployment) is carried out by monetary authorities.

Normally, monetary policy of the Central Bank aims to achieve and maintain financial stability, primarily the strengthening of the national currency and ensuring the sustainability of balance of payments.

Monetary control – a set of specific activities of the central bank to change money in circulation, the volume of loans, interest rates and other indicators of monetary and capital market lending.

Monetary policy is an integral part of a national economic policy. Government economic policy should include measures to address the problems in each block. The Central Bank does its part – monetary policy, he is responsible for its implementation.

The fundamental objective of monetary policy is to help the economy to reach a total production level, characterized by full employment and price stability. Monetary policy is a change in money supply in order to stabilize aggregate output (steady growth), employment and price levels.

State regulation of the monetary sphere may be carried out successfully only if the State through the central bank can effectively influence the extent and nature of private institutions as well as in developed market economies is the latter are the basis for the entire monetary system.

Monetary policy in industrialized countries is considered as a tool for «fine tuning» of economic conditions, both operational and flexible addition of fiscal policy. The current world practice shows that a monetary policy affects the state on money supply and interest rates, and they, in turn – for the consumer and investment demand.

Unregulated activities of commercial banks may lead to cyclical fluctuations in business activity, i.e. in periods of inflation to their advantage to increase the money supply, and during the Depression – to reduce, thus exacerbating the crisis. Therefore, a balanced state policy of regulating the currency. This role is the main coordinating and regulatory body of the whole monetary system of the country carries out the central (issuing) bank.

The main task of monetary policy the central bank – to maintain a stable purchasing power of the national currency and ensuring the flexible system of payments and settlements. At the same time the central bank's policy is one of the most important parts of regulating the economy of the state.

It should be noted that with the help of credit control the state seeks to alleviate the economic crisis, to keep inflation in order to maintain the conditions the state is using credit to stimulate investment in various sectors of the economy.

Source for defining the objectives of monetary and credit policy is the issue of subordinated bonds (subordination) of the various components of economic policy.

It is important to clarify the definition of basic concepts. It is traditional to use the term «monetary policy». Is it, however, the concept of «credit» a simple application to the concept of «money» or the concept has its own content? Is it true so call the considered policy of monetary or should be talking about the monetary and credit policy as relatively independent components of economic policy? To answer this question it is necessary to compare the targets and means of achieving them within the framework of monetary and credit policy components.

The essence of the problem of determining the objectives of monetary policy is reduced to the identification of the specific way in which it provides a monetary policy (to ensure) progress towards the desired result – price stability.

The aim of monetary policy is to ensure that the economy is necessary and sufficient money supply. Another possible definition, virtually synonymous with the previous: The goal of monetary policy is to eliminate the excess or shortage of money in terms of economic needs.

The aim of monetary policy is to regulate the availability of credit on the basis of the objectives of sustainable economic growth. Credit price of money can be controlled through the supply of money. Thus governed by and availability of the loan.

In the monetary policy interest rate on loans (refinancing rate) should provide relief in the form of achieving a certain level (of growth, reduce the amount of) money supply. For monetary policy the main thing – the availability of credit, money supply directly is not the purpose of this policy.

Arсенal of tools of monetary policy is much richer and includes interest rates. Solutions in the field of monetary policy on the economy-wide level may deal exclusively with interest rates.

Solution in one area of the monetary sphere affects all other areas. In connection with this fundamental choice between cash, credit and monetary policy should be conducted on a competitive basis, and the quantitative parameter within the chosen policy is set on the basis of compromise. With the policy chosen by the parties concerning the traffic control cost in the form of money on market principles, is dominant. The other components are subordinate subordinates.

Suppose a decision to hold a softer policy. The refinancing rate was reduced from level to level P_0 P_1 . If this decision would not receive adequate measures in the field of monetary policy, ie If the supply curve (S) will remain the same and the money supply will be maintained at the initial level Q_0 , economic entities, including banks, will suffer lack of liquidity, which is why interest rates on loans in the market will remain basically the same, and the problem mitigate the credit policy will be decided purely nominally, in the form of good wishes. At the same time will be used non-market channels of access to credit for the declared more favorable prices.

Nature of the interaction of the various parties of economic regulation pertaining to the monetary sphere is presented in free form in the table.

Monetary policy is based on the principles of monetarism and has several advantages over fiscal policy. First of all, it has the agility and flexibility, as well as carried out by the National Bank, rather than by Parliament, it is largely insulated from political lobbying.

Strengths of monetary policy:

- Speed and flexibility. Compared with fiscal policy, monetary policy can change quickly.

- Weak dependence on political pressure. By its very nature, monetary policy is softer and more conservative politically than fiscal policy. Changes in public spending directly affects the distribution of resources, and tax changes, no doubt, could have far-reaching political implications. Monetary policy, on the contrary. Acts thinner, and therefore it seems more acceptable politically.

- **Monetarism.** Most economists believe how fiscal and monetary policy effective tools for stabilizing, there are monetarists, who believe that the change in money supply – a key factor determining the level of economic activity and fiscal policy is relatively ineffective.

Negative aspects of monetary policy are that it provides only an indirect impact on commercial banks in order to regulate the dynamics of money supply and therefore cannot directly force them to reduce or extend credits.

Shortcomings and challenges of monetary policy:

- **Cyclical asymmetry**, i.e. If a policy of dear money, it will be reached such a point where banks are forced to limit the amount of loans, which means limiting the supply of money. While the easy money policy can provide the necessary reserves to commercial banks, i.e. opportunity to provide loans, but it is unable to guarantee that the last really will be given loans and money supply increase. The population may also disrupt the intentions of the Central Bank. Money to buy bonds from the population, a population can be used to repay existing loans. This cyclical asymmetry is a serious obstacle to monetary policy only during a deep depression. In normal times increase in excess reserves is to provide additional loans and thereby increase the money supply.

- Changing the velocity of money. So, in terms of overall monetary costs can be considered as the money supply multiplied by the velocity of money. In this regard, some Keynesians believe that the velocity of money tends to vary in the opposite direction to the supply of money than eliminate changes in the latter caused by monetary policy. In other words, during inflation, when money supply is limited to the policy of the Central Bank, the velocity of money tends to increase. Conversely, when taken policy measures to increase the supply of money during the recession velocity of circulation is likely to fall.

- Impact of investment, then there is action in monetary policy can be complicated and even temporarily hampered by adverse changes in the location of the demand curve for investment. For example, the policy of narrowing the creditworthiness of banks, aimed at raising interest rates may have little impact on investment spending, if both the demand for investment due to business optimism,

technological progress and expectations for the future of higher prices for capital increases. In such circumstances, to effectively reduce the total cost, monetary policy must raise interest rates very highly. Conversely, a serious recession could undermine confidence in entrepreneurship, and thereby negate the whole policy of cheap money.

In implementing monetary policy, influencing the lending activities of commercial banks and directing the management to increase or decrease in credit to the economy, the central bank achieves a stable development of domestic economy, strengthening monetary, and balance of internal economic processes. Thus, the impact of the credit can gain a better understanding of strategic development objectives of the entire economy as a whole. For example, a lack of business free cash flow makes it difficult for commercial transactions, domestic investment, etc. On the other hand, the excess money supply has its drawbacks: the depreciation of money, and, consequently, lower living standards, deteriorating foreign exchange situation in the country. Accordingly, in the first case, monetary policy should be aimed at increasing lending activity of banks, and in the second case – on its cut, the transition to a policy of «dear money» (restriction).

With the help of monetary government seeks to alleviate the economic crisis, to keep inflation in order to maintain the conditions the state is using credit to stimulate investment in various sectors of the economy.

State regulation of the monetary sphere may be carried out successfully only if the State through the central bank can effectively influence the extent and nature of private institutions as well as in developed market economies is the latter are the basis for the entire monetary system. This regulation is carried out in several interrelated ways. State control over the banking system is intended to strengthen the liquidity of credit and financial institutions, i.e. their ability to promptly meet the demands of depositors. This is primarily due to accounting or discount policy, as well as establishing norms of mandatory bank reserves. Public debt management is the direction of government regulation in conditions of chronic budget deficits, the huge increase in public debt, which dramatically increases the influence of public credit for the loan market. To this end, the central bank uses various methods of government public debt: buying or selling government bonds, bond price changes; vary the conditions of their sale, a variety of ways increases the attractiveness of the latter to private investors.

It should be noted that monetary policy is implemented as an indirect (economic) and direct (administrative) methods of exposure. The difference between them lies in the fact that the National Bank either has an indirect effect through the liquidity of credit institutions, or sets limits on the quantity and quality of banks.

Thus, in concluding this chapter, the following conclusions. Monetary policy – a key method of state regulation of social reproduction to ensure the most favorable conditions for the development of a market economy. The main goal of monetary policy is to help the economy in achieving volume production, characterized by full employment, absence of inflation and growth.

1.1 Instruments of credit – monetary policy

Refinancing of commercial banks

The tools of monetary policy are, first of all change refinancing, changes in reserve requirements, open market operations with securities and foreign currencies, as well as the introduction of credit restrictions.

The term «refinancing» means the receipt of funds by credit institutions from the central bank. The Central Bank may grant loans to commercial banks and rediscount securities held in their portfolios (usually bills).

Rediscount bills of exchange has long been one of the main methods of monetary policy of central banks of Western Europe. Central banks have certain requirements to have a bill discounted, most of which was the reliability of the debt obligation.

Bills of exchange rediscount rate. This bet is also known as the official discount rate, it is usually different from the rate of the loan (refinance) a negligible amount in the smaller side. The central bank buys the debt at a lower price than the commercial bank.

In case of increase of central bank refinancing, commercial banks will seek to compensate for losses caused by its increase (appreciation of credit) by raising interest rates on loans provided by the borrowers. Ie change in accounting (refinancing) rate directly influences the change in rates on loans to commercial banks. The latter is the main goal of this method of monetary policy the central bank. For example, raising the official discount rate in the period of increasing inflation causes an increase in interest rates on credit operations of commercial banks, which leads to their reduction, as there is appreciation of the loan, and vice versa.

We see that the change in official interest rates affects the credit sphere. First, the difficulty or facilitate opportunities for commercial banks to obtain credit from the central bank influences the liquidity of credit institutions. Secondly, the change in official rates mean more expensive or cheaper loans from commercial banks for customers, since there is a change in interest rates on active lending operations.

Also from the official central bank rate means the transition to a new monetary policy that makes commercial banks to make the necessary adjustments in their activities.

The disadvantage of refinancing with the conduct of monetary policy is that this method affects only commercial banks. If refinancing is used little or not implemented at the central bank, then this method is almost completely loses its effectiveness.

In addition to establishing formal refinancing rates and rediskont central bank sets the interest rate on collateral loans, ie credits granted under any mortgage, in which were usually securities. Please note that bail may be taken only those securities whose quality is unquestionable. In practice, foreign banks, as these securities are used tradable government securities, first-class commercial bills and bankers' acceptances (their value must be expressed in national currency and maturity – not more than three months), as well as some other types of debt, defined central banks.

The National Bank policy interest rate (which is still sometimes called the discount policy), acting as a «lender of last resort.» It represents a loan the most

financially stable banks experiencing temporary difficulties. Federal Reserve (Fed) sometimes makes long-term loans on special terms. It may be small loans to banks to meet their seasonal cash needs. Sometimes it also granted loans to banks, which find themselves in a precarious financial situation and need help to clean up its balance sheet.

When a bank loans money, it takes the Fed issued to a debt, usually secured by government securities. Upon return of the loan the Fed recover interest payments, whose size is determined by the interest rate.

Giving a loan, the Fed increases the reserves of commercial banks, and to maintain it does not need the required reserves, ie all the loan increases the excess reserves of the bank, its ability to lend.

If the Fed reduces interest rates, it encourages banks to acquire additional reserves by borrowing from the Fed. In this case, we can expect an increase in money supply. On the contrary, increasing the discount rate corresponds to the aspirations guiding monetary authorities to limit the money supply.

Changing the discount rate, we can only expect appropriate action banks. You cannot force the banks to take credit for the amount needed State. In its discount policy of the central bank can only play a passive role. Only in open market operations the central bank can play an active role. But never underestimate the role of interest rates: changing it, the central bank has great power to have restrictive effect on banks. And yet on the effectiveness of policy interest rate is after surgery

The policy of mandatory reserves

Currently, the minimum reserves – it is the most liquid assets, which are required to have all credit institutions, as a rule, either in the form of cash to banks, either in the form of deposits at the central bank or other highly liquid forms, defined by the central bank. The ratio of reserve requirements is set in law the percentage of the amount of minimum reserves to an absolute (volume) or relative (the increment) parameters of passive (FDIC) or active (Credits) operations. Use of standards can have a total (establishing the total of obligations or loans) and selective (to their particular part of) the nature of exposure.

Minimum reserves serve two main functions.

Firstly, they are as liquid reserves serve as collateral liabilities of commercial banks on deposits of their customers. Periodic variation of the required reserves of the central bank will support the liquidity of commercial banks at the minimum level depending on the economic situation.

Second, the minimum reserves are a tool used by the central bank to regulate the money supply in the country. By changing the standard of the reserve's central bank regulates the scope of active operations of commercial banks (mainly the amount of loans granted by them), and therefore the exercise, the deposit issue. Credit institutions can extend the loan operations, if their required reserves at the central bank exceed the set standard. When the amount of money in circulation (cash and noncash) exceeds the required demand, the central bank pursues a policy of credit restriction by increasing the standards of deduction, ie percent reserve funds at the central bank. He thereby was forcing banks to reduce the amount of active operations.

Change in reserve requirements affects the profitability of lending institutions. So, in case of increase in reserve requirements is as if the shortfall in revenue. Therefore, according to many Western economists, this method is the most effective anti-inflationary tool.

The disadvantage of this method lies in the fact that some institutions, mainly specialized banks with minor deposits, are in an advantageous position compared with commercial banks that have large resources.

In the last year or two decades have seen a decrease in the role of this method of monetary control. This is evidenced by the fact that everywhere (in Western countries) there is a reduction of the required reserves, and even its abolition in some types of deposits.

Fall in the rate of cash reserves would increase the money multiplier and, hence, increase the amount of the money supply, which can maintain a certain amount of reserves. If the central bank increases the rate of required reserves, this leads to a reduction in excess reserves of banks and animated reducing money supply. This process happens very quickly. For, once signed by the decision to increase the reserve rules, each bank immediately detects the failure of its reserves. He immediately sells some of its securities, and require the return of loans.

This instrument of monetary policy is the most powerful, since it affects the foundations of the entire banking system. He is so powerful that, in reality it is used once every few years rather than every day, as in the case of operations on the open market

Open market operations

Gradually, the above two methods of monetary regulation (refinance and compulsory redundancy) have lost their priority on the importance of value, and the main instrument of monetary policy became the intervention of the central bank, known as open market operations.

This method consists in the fact that central bank purchases and sales of securities in the banking system. Purchase of securities from commercial banks increases the resources of the latter, respectively, increasing their lending capacity, and vice versa. Central banks periodically make changes to this method of credit control, change the intensity of their operations, their frequency.

Open market operations were first actively used in the U.S., Canada and Britain due to the presence in these countries, the developed market securities. Later, this method of credit control has been universally used in Western Europe.

According to the shape of the market operations of central bank securities may be direct or inverse. Direct operation is a normal purchase or sale. Feedback is the buying and selling securities with the commission mandatory repurchase at a predetermined rate. Flexibility of inverse operations, the softer the effect of their influence, give the popularity of this instrument of regulation. Since the proportion of inverse operations of central banks of leading industrialized nations on the open market reaches from 82 to 99,6%. «If you look, you can see that by its very nature, these operations are similar to refinancing a mortgage securities. The central bank offers to commercial banks to sell his securities on the terms determined by auction (competitive) bidding, with the obligation to sell them back in 4–8 weeks. Moreover,

interest payments, «dashing» for these securities while they are owned by the central bank will be owned by commercial banks.

Thus, open market operations as a method of monetary management differ significantly from the previous two. The main difference – it is more flexible regulation, since the volume of purchases of securities, as well as used in this interest rate may change on a daily basis in accordance with the direction of central bank policy. Commercial banks, given the specified feature of this method should closely monitor its financial position, while preventing the deterioration of liquidity.

Credit crunch

This method of credit control is a quantitative limitation of the amount of loans. Unlike the above methods, regulation, quotas credit is a direct method of influence on banks' activities. Also, credit constraints lead to the fact that businesses borrowers fall into unequal position. Banks tend to lend mainly to its traditional customers, usually large businesses. Small and medium firms are the principal victims of this policy.

It should be noted that, while ensuring support of the policy of deterrence banking and moderate growth of money supply, the government reduces economic activity. Therefore, the method of quantitative restrictions was used not as active as before, but in some countries there has been canceled.

Also, the Central Bank may set different standards (coefficients), which commercial banks are required to maintain the required level. These include capital adequacy ratios of commercial bank's balance sheet liquidity ratios, standards for maximum risk per borrower, and some complementary guidelines. The above standards are mandatory for commercial banks. Also, the Central Bank may establish a non-binding, so-called evaluative standards which commercial banks are encouraged to support at the proper level.

In case of violation by commercial banks banking laws, rules, banking operations, other serious shortcomings in the work that leads to infringement of the rights of their shareholders, depositors, customers, the central bank may apply to them the most severe administrative punishment, until the liquidation of banks.

Obviously, the use of administrative action by the central bank towards commercial banks should not be systematic, and applied in the order of only internally measures.

In addition to the above four basic tools of monetary policy, the state also sometimes uses a secondary selective regulation, which refers to the stock exchange, consumer credit and exhortations.

In order to avoid excessive speculation in the stock market, the state sets prescribed by law «margin», ie percentage of the selling price of a security, which must be paid when buying or cash or, in securities, while another part can be written IOU. Margins improve if they wish to limit speculative buying of stocks and lower if you wish to revive the stock market.

If the state wants to avoid increasing the money supply, it can by all means possible to beat the desire to take a consumer credit: raise the interest rate on it, or prescribe to make interest-free contribution to the central bank is buying the credit card.

State represented by the central bank can affect the banks through verbal persuasion. There may be political statements, the general solutions, simply calls for a particular action. State appeals to the sense of public duty bankers. In its general form can be made warnings about the availability of credit in the future. Sometimes exhortations have had some impact.

Thus, the instruments of monetary policy are, first of all change in refinancing, changes in reserve requirements, open market operations with securities and foreign currencies, as well as the introduction of credit restrictions.

Gradually, the above two methods of monetary regulation (refinance and compulsory redundancy) have lost their priority on the importance of value, and the main instrument of monetary policy became the intervention of the central bank, known as open market operations.

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Card of competence of discipline

Direction, Economy profile discipline of Finance (Prof .Abdyjaparov A.S)

The discipline purpose	- to disclose all aspects of the relations existing in finance systems, the credit sector, to give to students practical Skills of finance system and creditting operations
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The discipline tasks	To teach to understand the theory of finance, problems of financial and credit regulation
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In the course of development of this discipline the student forms and shows the following

General Scientific Competences (GSC)

Competences		List Competences	Technologies of formation	Form of estimated means	Steps of levels of development of competence (100th ball scale)
Code	Formulation				
AC-1	Owns the complete system of scientific knowledge of the world around, it is capable to be guided in values of life, culture	<p>Know: law Finance base, Theory of finance and credit, knows main types of finance, the credit, is able to correlate them to circumstances of own practical activities</p> <p>To be able: Has skills of training in various forms, including self-education, seeks for personal and professional self-development in the conditions of lifelong training</p> <p>To own: Owns the main methods, ways and means of receiving, storage, processing of information, has skills of</p>	Lectures Practical training Independent work Interactive occupations other.	Testing Examination Oral answer Essay Paper other.	<p align="center">Threshold (satisfactory) From 51-64 points</p> <p align="center">Knows the principles of the organization and functioning of the KR credit system; the sector is capable to assessment of the relations of monetary system and bank</p> <p align="center">Advanced (well) From 65-84 points</p> <p align="center">Is able to apply methods of regulation of finance, credit, function and types of loan; to analyze a situation in the finance market, to consider influence of inflationary processes in economy to use information and analytical</p>

		work with bank operations by methods and learning tools.			<p>material of official sources of information on questions of finance</p> <p>High It's cool From 85-100 points</p> <p>The cost of finance, credit, bank operations owns in full economic bases and skills of activity and formation of the monetary credit relations, banking</p>
Tools competence (TC)					
TC-2	It is capable logically truly, it is reasoned and clearly to build the oral and written language in the state and official languages	<p>nobility:</p> <ul style="list-style-type: none"> - modern theories of money, credit and banks; - a role of money, the credit and banks in economy; regularities of money turnover and credit; - specifics of the organization financial monetary various countries; - features monetary financial policy in various countries; - functions and main operations of the central government; - basic elements of currency system, her types. <p>to be able:</p> <ul style="list-style-type: none"> - to calculate such traditional economic indicators on the basis of data of official statistics as: ratio of cash and non-cash money supply, size of monetary units, rate of inflation, monetization coefficient, money multiplier, speed of the address of money; - to estimate efficiency of realization of functions of money; - to show interaction of finance, the credit and banks with reproduction process; - to analyze features of realization finance monetary in different countries; - to analyze structure of passive and active operations of bank; 	Lectures Practical training Independent work Interactive occupations other.	Testing Examination Oral answer Essay Paper other.	<p>Threshold (satisfactory) From 51-64 points</p> <p>Knows the principles of the organization and functioning of the KR financial system; the sector is capable to assessment of the relations of financial system and bank</p> <p>Advanced (well) From 65-84 points</p> <p>Is able to apply methods of regulation of finance of the credit, function and types of loan; to analyze a situation in the financial market, to consider influence of inflationary processes in economy to use information and analytical material of official sources of information on questions of monetary circulation</p> <p>High It's cool From 85-100 points</p> <p>The cost of finance, credit, bank operations owns in full economic bases and skills of activity and formation of the financial relations, banking</p>

social and personal competences

<p>CSC-3</p>	<p>It is capable and ready to dialogue on the basis of values of civil democratic society, is capable to take an active civic stand</p>	<p>Nobility: main debatable questions of the modern theory of finance and credit</p> <p>the modern legislation, normative and methodical documents regulating finance, the system of calculations including, in the sphere of the international economic relations;</p> <p>activities of credit institutions, practice of application of the specified documents;</p> <p>To be able: to own forms and methods of use of finance and credit of social and economic processes in the conditions of market and transitional to market economy, considering at the same time specifics of KR;</p> <p>to analyze periodic literature concerning a state and to separate problems of the monetary and credit sphere of economy;</p> <p>to be able to estimate a role of banks in modern market economy;</p> <p>-.</p> <p>To own: conceptual and analytical framework;</p> <p>skills of system thinking and analysis;</p> <p>modern calculation procedures and the analysis of the socio-economic indexes</p>	<p>Lectures Practical training Independent work Interactive occupations other.</p>	<p>Testing Examination Oral answer Essay Paper other.</p>	<p>Threshold (satisfactory) From 51-64 points Knows the principles of the organization and functioning of the KR credit system; the sector is capable to assessment of the relations of finance system and bank</p> <p>Advanced (well) From 65-84 points Is able to apply methods of regulation of financial; theory of the credit, function and types of loan; to analyze a situation in the financial market, to consider influence of inflationary processes in economy to use information and analytical material of official sources of information on questions of finance</p> <p>High It's cool From 85-100 points The cost of money, theories of the credit, bank operations owns in full economic bases and skills of activity and formation of the finance credit relations/</p>
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		<p>characterizing economic processes and the phenomena on micro and macrolevel;</p> <p>by modern methods of collecting, processing and analysis of economic and social data</p> <p>-</p>			
PC (PC)					
PC-4	<p>It is capable to carry out collecting, the analysis and data processing, the necessary for the decision set economic tasks</p> <p>by modern methods of collecting, processing and analysis of economic and social data</p>	<p>Nobility: main debatable questions of the modern theory of finance;</p> <p>line item of economic science concerning their entity, to functions, laws and a role in the modern economic development of national and world economy;</p> <p>the modern legislation, normative and methodical documents regulating finance, the system of calculations including, in the sphere of the international economic relations;</p> <p>activities of credit institutions, practice of application of the specified documents;</p> <p>the maintenance of the main domestic and foreign monographic literature on the theoretical questions connected to functioning of the monetary and credit sphere; bank;</p> <p>-</p> <p>To be able: to own forms and methods of use of finance for regulation of social and economic processes in the conditions of</p>	<p>Lectures</p> <p>Practical training</p> <p>Independent work</p> <p>Interactive occupations</p> <p>other.</p>	<p>Testing</p> <p>Examination</p> <p>Oral answer</p> <p>Essay Paper</p> <p>other.</p>	<p style="text-align: center;">Threshold (satisfactory) From 51-64 points</p> <p style="text-align: center;">Knows the principles of the organization and functioning of the KR financial system; the sector is capable to assessment of the relations of finance system</p> <p style="text-align: center;">Advanced (well) From 65-84 points</p> <p style="text-align: center;">Is able to apply methods of regulation of finance; theory of the credit, function and types of loan; to analyze a situation in the financial market, to consider influence of inflationary processes in economy to use information and analytical material of official sources of information on questions of monetary circulation</p> <p style="text-align: center;">High It's cool From 85-100 points</p> <p style="text-align: center;">The cost of finance, theories of the credit, bank operations owns in full economic bases and skills of activity and formation of the finance credit relations, banking</p>

		<p>market and transitional to market economy, considering at the same time specifics of KR;</p> <p>to analyze statistical materials on financial resources condition of the monetary sphere, a banking system;</p> <p>to analyze periodic literature concerning a state and to separate problems of the finance and credit sphere of economy;</p> <p>to be able to estimate a role of banks in modern market economy;</p> <p>-.</p> <p>To own: conceptual and analytical framework; skills of system thinking and analysis;</p> <p>modern calculation procedures and the analysis of the socio-economic indexes characterizing economic processes and the phenomena on micro and macrolevel;</p> <p>by modern methods of collecting, processing and analysis of economic and social data</p>			
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