

**PROGRAM**  
**on the entrance examination**  
**for the applicants for the Master degree program**  
**Major 7-06-0311-01 “Economics”**

The entrance interview program is developed for those who enter the Master degree on Major 7-06-0311-01 “Economics” (program “Economic Psychology”) on the basis of standard curricula of the academic disciplines of Bachelor degree program. The content of the program is of a complex systemic interdisciplinary nature and is aimed at identifying the general professional and special knowledge as well as skills received at the Bachelor degree programs required for admission to the master’s stage. The program determines the list of issues that are necessary for passing the entrance interview, and includes a list of recommended literature in which normative, scientific, educational and other materials are presented. The admission to the Master degree program implies that a bachelor who is admitted to take the interview in the specialty should show a high level of theoretical and practical training, mastering of economic and psychological terminology and skills in working with scientific literature, knowledge of the current legislation, understanding and ability to analyze the processes occurring in the economy and human behavior, competence in matters related to the development of economic relations, economic activities, and the ability to apply their knowledge to solve specific research and applied problems. An additional entrance interview is conducted orally with interview cards containing below-mentioned questions

## **List of questions**

### **1. Economics as a sphere of social activity. The subject, functions and branches of economic theory.**

Economy as a sphere of the activity of the society. Economics. General and particular economic sciences. The subject and functions of economic theory. Economic categories and economic laws. Branches of economics.

### **2. Needs (wants) as a prerequisite for production. Classification and basic characteristics of needs (wants).**

Needs (wants) as a prerequisite for production. Classification and basic characteristics of needs and wants. Economic interests and their classification.

### **3. Resources (factors of production). Classification and characteristic of resources. Scarcity of resources.**

Economic resources (factors of production). Labor. Land and non-renewable natural resources. Capital. Real (physical) and cash capital. Fixed and circulating capital. Depreciation and obsolescence of fixed capital. Entrepreneurship. Scarcity of resources.

### **4. Economic goods: types, main characteristics. Scarcity of economic goods.**

Economic goods: types, main characteristics. Substitutes and complementarity goods. Scarcity of economic goods.

### **5. The problem of choice in economy. Production possibility of society and their frontiers. The law of increasing opportunity costs. The problem of efficiency.**

The problem of choice in economy. Fundamental questions of economic development of society: what, how and for whom to produce? Production capabilities of society and their frontiers. Transformation curve (Production-possibility frontier). Opportunity costs. The law of increasing opportunity costs.

### **6. The economic system of society, its elements and levels. Traditional economy. Classic capitalism. Command economy. Mixed economy.**

The economic system of society. The classification criteria and types of economic systems. Traditional economy. Market economy (classic capitalism). Command economic system. Mixed economy. Economic transformation.

### **7. Institutions in economics. Formal and informal institutions.**

The concept and characteristics of institutions. Types of institutions. Natural and artificial, internal and external institutions. Economic institutions. Institutional structure and institutional environment. Institutes and organizations.

### **8. The concept of property. Subjects and objects of property. Types and forms of property. Nationalization and privatization.**

The concept of property. Subjects and objects of property. Types and forms of property. Institutional property rights theory. Nationalization, denationalization, privatization.

### **9. Market: concept, functions, origins of market relations. Classification of markets.**

Concept of market, preconditions of market relations. Functions of the market. Market economy and its main features: private property, free pricing, competition. Classification of markets. Local, regional, national, global market. The market of goods and the market of resources. Market infrastructure.

**10. Market economy: concept and models. Circulation of resources, products and money in a market economy.**

The concept of a market economy. Circulation of resources, products and money in a market economy. Market economy models. Liberal and social models.

**11. Demand. Price and non-price factors of demand.**

Demand and the law of demand. Price and non-price factors of demand. The demand function. Graphical interpretation of demand (Demand curve). Change in demand and change in quantity demanded. Individual and market demand.

**12. Supply. Price and non-price factors of supply.**

Supply. The law of supply. Supply function and supply curve. Price and non-price factors of supply. Change in supply and change in quantity supplied.

**13. Market equilibrium. Shortage and surplus on market. Changes in supply and demand. Concept of elasticity.**

Market equilibrium. Equilibrium price. Consequences of price changes. Market shortage and surplus. Buyer and seller surplus. Concept of elasticity. Price elasticity of demand. Factors affecting price elasticity of demand. Normal, luxury and inferior goods. Price elasticity of supply. Factors affecting price elasticity of supply.

**14. Implementation the laws of supply and demand for the analysis of economic processes.**

Price elasticity of demand and total revenue. Impact of elasticity on consumer surplus and producer surplus. Price elasticity of supply and demand and the distribution of tax burden.

**15. Household as an economic entity. The concept of rational consumer. Total and marginal utility. The law of diminishing marginal utility.**

Household as an economic entity. The concept of rational consumer. The concept of utility. Total and marginal utility. The law of diminishing marginal utility. Cardinal approach to the evaluation of utility. Marginal utility per dollar.

**16. Firm as an economic entity. Main goal and functions of a company. Production periods.**

Firm, organization, enterprise: concept and classification. The concept of a rational producer. Goals and functions of firms. Short-term and long-term production periods. Fixed and variable factors of production.

**17. Concept and classification of cost. Accounting and economic costs.**

Concept and classification of costs. External (explicit) and internal (implicit) costs. Accounting and economic costs. Sunk cost.

**18. National economy: concept and structure. Open and closed economy. The system of national accounts (SNA) and its main indicators.**

National economy and its general characteristics. Open and closed economy. System of National Accounts (SNA). Institutional units of SNA. Macroeconomic agents (sectors) of an economy.

**19. Gross domestic product (GDP). Nominal and real GDP.**

Gross domestic product (GDP). Principles of calculating GDP. Intermediate goods and services. Added value. Production method for calculating GDP. Calculation of GDP by expenditure and by income. Laspeyres and Paasche indices. GDP deflator. Deflation and inflation.

#### **20. Economic cycle and its phases.**

Macroeconomic instability and economic cycles. Economic (business) cycle and its phases. Concepts of economic (business) cycles.

#### **21. Essence of money. Functions of money. Monetary system of a country.**

Evolution of money. Essence of money and their functions. Monetary aggregates. Monetary system and its structure. Central Bank and its functions. Commercial banks and their functions. Non-banking financial institutions.

#### **22. Financial system. Government budget: concept, revenues and spending. Taxation.**

The concept of financial system, its structure and functions. Public and private finance. Government budget. Government revenues and government spending. Concept of the tax system and its elements. Taxation: essence and principles. Taxes and fees (duties). Types and functions of taxes.

#### **23. Concept of World economy. Subjects and structure of world economy. International division of labor.**

Global economy and prerequisites of its formation. Subjects of World economy (households, firms, states, international economic organizations, integration groups of countries). Structure of the World economy (geographical, social, in terms of income, in terms of development, in terms of openness). International division of labor: forms and factors of development.

#### **24. Forms of international economic relations. International trade in goods and services. International capital market. International labor migration.**

Forms of international economic relations: trade in goods and services, international capital flows, labor migration, monetary and financial relations, R&D cooperation. Contemporary trends in the global economy.

#### **25. Balance of payments: concept, principles of composition and structure.**

Balance of payments and its structure. Current account. Capital account.

#### **26. The essence and characteristic features of economic psychology.**

Economic psychology as a modern direction of social psychology. Characteristic features of economic psychology. Economic psychology and psychological economics.

#### **27. The history of the formation of economic psychology.**

Prerequisites for the emergence of economic psychology. The period of the inseparability of economic and psychological knowledge (Xenophon, Plato, Aristotle). Economic psychology in the system of sciences. The formation of economic psychology as an independent branch of scientific knowledge.

#### **28. The concept of "economic man".**

Definition of an "economic person". Contradictions in the concept of "economic man". Psychological refutations of the concept. Rationality from the standpoint of an economic approach. The "axiom of greed" and its manifestations in economic behavior.

### **29. Concepts of economic behavior.**

The essence of economic behavior. Prerequisites of economic behavior. Types of economic behavior: distributive, production, exchange, consumer. Psychological approaches to the explanation of economic behavior.

### **30. Models of economic behavior (A. Smith, P. Heine).**

A. Smith's model, recognition of the compensatory role of wages as the basis of economic behavior. P.Heine's model, four features of economic thinking. A sociologized model of economic behavior.

### **31. The essence and structure of economic consciousness.**

The concept of economic consciousness. Economic objects and the main phenomena of individual and group economic consciousness. The structure and elements of economic consciousness.

### **32. The essence of economic thinking.**

Definition of economic thinking. Types and forms. Approaches to the definition of economic thinking: classical and postclassical paradigms. Characteristics of P. Heine's economic thinking. Rationality of economic thinking. Sources of irrationality of economic thinking. Four levels of modern economic thinking.

### **33. Features of economic decision-making.**

Rational choice model in microeconomics. Decision-making conditions. Decision-making in conditions of uncertainty. Stages and decision-making process.

### **34. The labor market and its specifics.**

The labor market as an element of a market economy. Characteristic features of the labor market. Forces affecting the balance of labor supply and demand in the labor market. Parameters of the country's human resources potential.

### **35. Psychology of employment.**

Forms and types of employment. Formalization of the reasons that make individuals work. The "work-rest" dilemma.

### **36. Psychology of unemployment.**

The history of the concept of "unemployment". Types and causes of unemployment. Factors contributing to job search. The psychoemotional state of the unemployed. Phases of development of stress states of the unemployed.

### **37. Psychological portrait of an entrepreneur.**

Psychological portrait of an entrepreneur: intellectual, communicative and motivational-volitional block. Values and corresponding patterns and norms of entrepreneurial behavior. Attitude to money. Trust within the business environment. The attitude of entrepreneurs to employees. Gender aspects of entrepreneurship.

### **38. Money as an object of psychological research.**

The main directions of research in the psychology of money. The main functions of money and their psychological component.

### **39. Subjective perception of money.**

Economic and psychological approach to money. The subjective perception of money that affects its use. The concept of "special money".

### **40. Factors affecting the attitude to money.**

Negative and positive manifestation of the influence of monetary circulation. Gender differences in attitudes to money. Attitudes to money in different social groups. Sociocultural features of the attitude to money. Age stages of forming an attitude to money. Monetary personality types.

#### **41. Psychological phenomena of the securities market.**

Discipline "behavior of finance". Psychological components of financial behavior. Psychological research of the securities market. General psychological patterns of behavior in the financial market.

#### **42. Basic concepts and processes of psychology of consumption and accumulation.**

Definition of the concepts of "consumption", "accumulation", "demand", "saving", "inflation", "deflation", "discounting". Forms of using monetary income. The effect of "immediate reward". Psychology of demand.

#### **43. Psychology of accumulation and saving.**

Age and social criteria of accumulation and savings. The main trends towards accumulation. Factors that prevent saving money. Questions of the minimum limit of savings. Classification of forms and types of savings. Motives and goals of savings. Psychological features of savings behavior.

#### **44. Consumer behavior.**

Definitions of "need", "consumer behavior", "purchasing behavior". Factors of consumer choice. Typical effects of consumer behavior. Models of selective consumer behavior. Psychological influence of the price and consumer properties of the product.

#### **45. The concepts of "economic well-being" and "subjective economic well-being".**

Features of the definition of "well-being" as a scientific category. The concept of "economic well-being". Problems of measuring economic well-being. Subjective economic well-being and its components.

#### **46. The study of wealth in psychology.**

The concept of "wealth". Perception of wealth. The economic identity of the rich. The connection of health with lifestyle for the rich. Education as a factor of well-being of the rich. Patterns of behavior of the rich.

#### **47. The study of poverty in psychology.**

The concept of "poverty". Causes that generate poverty. Concepts of studying poverty. Perception of poverty. The economic identity of the poor. The link between health and lifestyle for the poor. Education as a factor of well-being of the poor. Patterns of poor behavior.

#### **48. Applied problems of economic activity.**

Psychology of trade secrets. Ways and forms of information leakage. Commercial negotiations and their stages. A trade deal as a specific type of negotiation. Socio-psychological foundations of the sale.

#### **49. Psychological characteristics of property.**

Universal types of property: land, intellectual property, money. Positive and negative traits associated with property. The sense of ownership, its components.

#### **50. Psychology of advertising.**

The main psychological schools of advertising. The role of advertising in economic activity. Advertising as an object of psychological research. Studying the effectiveness of advertising campaigns and modeling the processes of advertising impact. The structure of advertising activities. Features of the perception of the advertising message by the consumer. Psychological manipulation of the consumer in terms of personal sales.

## Reading list

- 1 Antonides. *Gerrit Psychology in Economics and Business: An Introduction to Economic Psychology*, 1996.
- 2 Baumol, William J., and Alan S. Blinder. *Economics: Principles and Policy*. Mason, OH: South-Western Cengage Learning.
- 3 Boyes, William, and Michael Melvin. *Economics*. Mason, OH: South-Western Cengage Learning.
- 4 Frank, Robert H., and Ben Bernanke. *Principles of Economics*. New York: McGraw-Hill.
- 5 Krugman, Paul, and Robin Wells. *Economics*. New York: Worth Publishers.
- 6 Mankiw, N. Gregory. *Principles of Economics*. Mason, OH: South-Western Cengage Learning.
- 7 Ranyard, Rob. *Economic Psychology*, UK, 2017.
- 8 Samuelson, Paul A., and William B. Nordhaus. *Economics*. New York: McGraw-Hill.
- 9 Schiller, Bradley R., Cynthia D. Hill, and Sherri L. Wall. *The Economy Today*. New York: McGraw-Hill.
- 10 Stephen E. G. Lea, Roger M. Tarpy and Paul Webley *The Individual in the Economy: A Textbook of Economic Psychology*, Cambridge [Cambridgeshire]; New York: Cambridge University Press, 1987.
- 11 Taylor, John, and Akila Weerapana. *Principles of Economics*.. Mason, OH: South-Western Cengage Learning.
- 12 OpenStax, ed. *Principles of Economics*. N.p.: Rice U, 2014.