



FINANCE AND CURRENCY

The student community and wider professional public have the opportunity to familiarise themselves with a wide-ranging publication that we could describe as an "editorial" on financial science, a subject with a significant position in the framework of economic science. Published by IURA EDITIO, spol. s r. o., in the series Ekonomía, this highly professional work is written by a renowned collective author – the teachers of the Faculty of National Economy at the University of Economics in Bratislava.

Since its first edition came out in 2003, Finance and Currency has reflected the major changes that have taken place in the area of finance, currency, the financial market, banking, international finance, and insurance. Running to 373 pages that include a bibliography and subject index, it is conveniently divided into four thematic units each of which is further divided into individual chapters.

The first, introductory thematic unit – General Characteristics of Finance and Currency – clarifies the essence of finance and currency, the money supply, and monetary transactions. As well as shedding light on money payment transactions, the subjective side of finance and the division of finance, it analyses the concepts and categories of financial science.

In the second thematic unit, Finance, the authors tackled the subject of finance by dividing it into three chapters. The chapter on corporate finance takes a brief and logically linked approach to the issue of an enterprise's financial policy, its basic starting point for functioning, financing mechanism, evaluation and evaluation method for the efficiency of capital investments, as well as its distribution of net profit and valuation. Public finances are given extensive treatment in the third chapter. The authors reserve a special place for the basis of budgetary performance, budgetary process and the budget of the European Union. They define public revenues, public expenditure and their mutual interaction. Attention is paid to the characteristics, basis and finances of state funds, supranational funds and the issue of public company finances.

Currency is the topic of the third thematic unit, which has a five-chapter structure. In the chapter Money Circulation and Currency, the author briefly describes the development of currency and currency systems and focuses on monetary policy, on defining and setting out the fundamental problems that monetary policy must address, on who executes monetary policy, and on what instruments are used in the

implementation of monetary policy. The chapter entitled The Financial Market as a Part of the Financial System sets out the basis of the financial market and its functions, as well as addressing financial market investments. It shows the principal division of the financial market and the instruments used on the financial market, as well as looking at the financial market intermediaries and their functions. The chapter Banking includes the issue of the banking system, analyses the influence of the central bank on commercial banks, and looks in more detail at commercial banks, their division, functions, status within the banking system and the operation of commercial banks both in the context of international regulation and under the conditions of the European Union. Non-banking intermediaries in financial markets is the theme of the next chapter, which begins with the subject of collective investment and the forms thereof, and with the particularities and advantages of collective investment. Collective investment companies and pension funds, including the principles for investing pension funds, are treated thereafter. Nor does the author neglect the subject of the stock exchange as the top institution of the capital market. The chapter International Finance analyses and details the structure of international finance. It describes the rules and mechanisms for the setting up and management of foreign exchange rates and the foreign-exchange market. It addresses the issue of international liquidity and foreign-exchange reserves. The chapter goes on to present the world's most important financial institutions, dealing with questions about the position and function of the International Monetary Fund, its principal roles, organisation and structure, as well as addressing the rights and obligations of IMF member states, IMF funds and capital, the artificial currency unit SDR, and IMF loans. Among the other international financial institutions, the author focuses on the International Bank for Reconstruction and Development, its organisation, ma-



nagement and objectives. The author concludes the chapter by presenting the basic characteristics of the European Monetary Union.

The fourth thematic unit, Insurance, takes three chapters to examine insurance at two levels: theoretically and as a new area of business. In the chapter Systems of Insurance Relations, the author guides the reader through the principal systems of insurance relations within the economy, which are typically exercised by means of commercial insurance and the system of social security. There is special focus on pension insurance, and its contemporary reform and new concept – part of which emphasises the financi-

al interconnection between social insurance and long-term investment.

This publication by the collective author of the Faculty of National Economy at the University of Economics in Bratislava is written in a lucid and absorbing style, at a level that combines state of the art knowledge of the science with practice. The reader is drawn in by the logical commentary and by the integrated approach to an issue which financial science unquestionably represents.

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