



**ELTE Faculty of Social Sciences  
Applied Economics BA  
Information about the final exam**

**General information applied to all of the degree programmes**

**Choosing thesis topic and supervisor:** (*Academic Regulations for students Volume II Section 457*)

- In the first semester: between 15th October and 15th November
- In the second semester: between 15th April and 15th May

**Modification of thesis topic and/or supervisor:**

(*Academic Regulations for students Volume II Section 77*)

- 15th September / 15th February

**Registration for final exam:** (*Academic Regulations for students Volume II Section 457*)

- 15th March / 15th October

**Submitting thesis:** (*Academic Regulations for students Volume II Section 457/A*)

- 15th April / 15th November

**Evaluation of the thesis:** (*Academic Regulations for students Volume II Section 457/B*)

**Thesis defense:** (*Academic Regulations for students Volume II Section 81*)

- The defense of the thesis takes place at the final exam (in case of all the degree programmes)

**Thesis requirements:**

[https://tatk.elte.hu/dstore/document/2714/ELTE\\_TATK\\_thesis%20requirements.pdf](https://tatk.elte.hu/dstore/document/2714/ELTE_TATK_thesis%20requirements.pdf)

**Final exam period:**

- Based on the academic calendar

*Note: The grade of the final exam cannot be modified!*

**Deadlines for taking the final exam** (*Academic Regulations for Students Volume II Section 81*):

- Started their studies in accordance with Act CXXXIX of 2005 on higher education (Hungarian abbreviation: 'Ftv.') will have to meet certain conditions established by the University if they wish to take the final exam more than 7 years after the issuance of their pre-degree certificate;
- Started their studies in accordance with Act CCIV of 2011 on National Higher Education (Hungarian abbreviation: 'Nftv.') may take their final exam during any exam period within 2 years of the expiry of their student status, in line with the valid training requirements. Taking the final exam more than 2 years after the issuance of their pre-degree certificate, however, may be subject to certain conditions established by the University. Students who started their studies in accordance with Nftv. shall not be granted permission to take the final exam more than 5 years after the expiry of their student status.

*The students will be informed about the actual deadlines via Neptun by the Study Office.*

**Academic Regulations for Students, Section 457/D.**  
section 81. (10); Section 84.

**For students enrolled before 2024**

- a) the exam is composed by two parts:
  - aa) The student picks a written question from the list of exam questions. The committee evaluates the student's answer with a grade on a five-grade scale.
  - ab) the student defends the degree thesis against the opponent's report and answers the questions in connection with the degree thesis and the general questions on the subject matter; The defending of the degree thesis in consideration with the opponent's report is graded on a five-grade scale by the committee, which gives the grade of the degree thesis;
- b) The rating degree of the final examination is the average of three grades, rounded to two decimals:
  - ba) study average: the average of the grades of the registered compulsory elective course-specific and modul courses (courses taken in the 5<sup>th</sup> and 6<sup>th</sup> semester)
  - bb) the grade for the degree thesis,
  - bc) the grade for the final exam

**For students enrolled in and after 2024**

- a) The grade of the thesis shall be calculated on the basis of the grade given by the supervisor when submitting the thesis and the grade given by the opponent. The supervisor's grade on a five-grade scale is taken into account in 30% and the opponent's grade in 70%. (The sum of the two values is rounded to a whole number).
- b) During the final exam, the student presents their thesis in 10 minutes, then defends it against the opponent's critique and answers the questions from the Final Examination Committee. The committee evaluates the student's exam on a five-grade scale. (This will be the grade for the final exam.)
- c) The qualification of the diploma shall be the average of the following three grades rounded to two decimals:
  - ca) the grade of the degree thesis,
  - cb) the final examination grade,
  - cc) the arithmetic mean of the grade point averages of the semesters completed in the programme, rounded to the nearest whole number

## **QUESTIONS FOR THE FINAL EXAM – only for students admitted before 2024!**

1. Simple and multiple regression. Definition, assumptions, economic interpretation, estimation, inference, examples.
2. Multiple regression: further topics. Functional forms with economic examples, prediction, heteroscedasticity.
3. Dummy variables. Dummy variables as explanatory variables: interpretation, interaction with dummy and with continuous variables, examples. Dummy variable as dependent variable: the linear probability model.
4. Time series. Stationary and non-stationary time series, trend and seasonality. Autoregressive models. Regression with time series. Examples.
5. Consumer's utility maximization problem and the uncompensated demand. Economic circumstances, tastes, optimization and the effect of the exogenous variables. Supply of labor and capital.
6. Consumer's expenditure minimization problem and the compensated demand. Price effect decomposition, categorization of goods, duality in consumption.
7. Producer's decision problem, supply of goods and demand for production factors. Technology, profit maximization, cost minimization, unconditional and conditional demand for labor and capital, supply, profit, costs and the effect of exogenous variables.
8. Partial equilibrium and welfare analysis. Aggregated demand and supply, representative consumer, consumer and producer surplus, welfare theorems and the effect of policy interventions.
9. General equilibrium and welfare analysis. Pure exchange and production models. Social planner's problem, competitive equilibrium and bargaining. Walras-law and the Welfare theorems.
10. Decision under uncertainty. Lotteries, utility representation under risk and the insurance market.
11. Externalities. Definition and categorization of externalities, policy oriented and market based solutions. Property rights, Coase-theorem and organized markets.
12. Asymmetric information. Problem of hidden information. Adverse selection, moral hazard, signaling, screening and regulation.
13. Monopoly. Pure monopolistic decision problem, price discrimination, monopolistic behavior, natural monopolies, regulation and competition policy.
14. Oligopoly and monopolistic competition. Strategic interaction in market mechanism. Quantity and price competition with homogenous and differentiated products. Simultaneous and sequential decisions. Game theoretical background and equilibrium concepts.
15. Public goods. Excludability and parallel consumption, free rider problem, the role of government and civil society, centralized allocation, Lindahl-pricing, taxation and the basics of mechanism design.

16. Political and normative aspects of microeconomic analysis. The social choice problem, Arrow's impossibility theorem and the Median voter theorem. Social welfare functions, utility possibility frontier, centralized redistribution, the first and the second best solution.
17. Define the most important macroeconomic indicators we use to describe the performance of the economic system. What is the difference between nominal and real values in the measurement.
18. What is economic growth? What are the most important characteristics of the growth process? Use the Solow growth model to illustrate them.
19. What is money? How money is related to the price level and inflation in the macroeconomic system? What is the difference between the short run and the long run in the role of money?
20. How does the central bank conduct monetary policy? Use a macroeconomic model of your choice to illustrate how monetary policy influences economic activity.
21. How does the government conduct fiscal policy? Use a macroeconomic model of your choice to illustrate how fiscal policy influences economic activity.
22. What is the AS-AD model? How can it be used to describe short run economic fluctuations?
23. Define the exchange rate - nominal and real - of a currency. Use a model of your choice to illustrate how the exchange rate is determined in a flexible exchange rate system.
24. Define the concept of the International Balance of Payments. Illustrate how fiscal and monetary policies influence the Balance of Payments.
25. Classical Political Economy from the perspective of history of economic ideas. Antecedents, methodology, basic concepts, protagonists, theory of value, income distribution, price theory, theory of money, debates and policy suggestions.
26. Neoclassical Economics from the perspective of history of economic ideas. Predecessors and the marginalist revolution. Different explanations, methodology, theory of price and value. The Austrian, the Lausanne- and the Cambridge school of neoclassical economics.
27. The Keynesian turn in economics. Keynes as a man and as an economist. Methodology, basic concepts, consumption, investment, theory of money. Policy suggestions. Reconstructions of the Keynesian system.
28. Mathematization of Economics and the history of General equilibrium theory. Swedish and US developments, Vienna Colloquium, LSE, Russian School, Cowles Commission, Econometrics and the Arrow-Debreu model. Main developments in microeconomics in the second half of the 20th century.
29. Monetarism, New-classical School and Real Business Cycle theory. Reformulation of the quantity theory of money, Friedman's system and the monetarist movement, Lucas and the rational expectations. Macroeconomics at the turn of the 21st century.