

REVIEW

of a dissertation entitled: "**CHALLENGES TO THE MODERN
MONETARY POLICY AND OPTIMIZATION OF MONETARY
AGGREGATES MANAGEMENT**"

author **Vladimir Hristov Sirkarov**,

Department of Finance Credit at D. A. Tsenov Academy of Economics

Purpose of the review: The review was submitted by Prof. Stoyan Prodanov, PhD on the grounds of Order No. 1035 of 02 Dec. 2021 of the Rector of D. A. Tsenov Academy of Economics – Svishtov regarding the procedure acquisition of the educational and scientific degree of Doctor of Philosophy in the Area of Higher Education: 3.8 Social, economic and legal studies

Teaching Department: Department of Finance and Credit at the Faculty of Finance

Form of doctoral studies: part-time PhD student

Scientific advisor: Assoc. Prof. Aleksandar Petrov Ganchev, PhD from Department of Finance and Credit, Faculty of Finance at D. A. Tsenov Academy of Economics – Svishtov

Doctoral programme: „Finance, Money Circulation, Credit, and Insurance (Finance)“

I. General characteristics of the dissertation thesis, evaluation of the format and structure of the dissertation

The dissertation presented for evaluation has three chapters. The introduction develops the problem area of research as follows: relevance, object, subject, thesis, goal, tasks, working hypotheses and methodology. The constraints of the study are also outlined.

The dissertation includes 198 standard pages, including introduction - 7 pages, main text, placed in three chapters - 175 pages, conclusion - 5 pages, list of references, statement of originality, 31 figures and 11 tables. It is structured in an introduction, three chapters, a conclusion and a

bibliography. The bibliography contains 104 sources. The conclusion presents the main results of the dissertation. 5 publications have been made on the topic of the dissertation. The bibliography has been made in APA-style. The main content and the bibliographic reference give grounds to establish the correct observance of the requirements for bibliographic citation and bibliographic description. A declaration of authenticity and originality is also attached.

The presented review complies with the regulatory requirements of the Law on the Development of Academic Staff in the Republic of Bulgaria, the Regulations for the Implementation of the Law on the Development of Academic Staff in the Republic of Bulgaria and the applicable ones for SA "D. A. Tsenov" internal regulations.

II. Evaluation of the dissertation and its contributions

The research is on a topic with emphasized relevance, scientific and applied orientation. The management of systemic risk in the global and European financial system is determined by the occurrence of systemic events that can lead to financial instability and crises. The study convincingly and reasonably proves the thesis that the long-term results of systemic risk management depend mainly on the preparation of the financial system to deal with it. The development of monetary policies of central banks, the emergence of phenomena such as unconventional monetary policy, cryptocurrencies, financial innovations and new regulations require a new view and analysis of money as a concept and the ways of measuring the money supply.

The object, the subject, the goal and the thesis are correctly, accurately and clearly defined. The object of the study is the money supply, and the subject is the tools for measuring the money supply and defining its qualitative and quantitative characteristics. The aim of the dissertation is the complex research of the possibilities for optimizing the calculation of the money supply by constructing a monetary aggregate, which corresponds to the theoretical basis for money as a universal means of exchange. The

dissertation thesis states that the classical monetary aggregates in the conditions of monetary systems with fiat money do not present the money supply correctly. This makes it possible to optimize the accuracy of measuring the money supply through a monetary aggregate that takes full account of the function of money as the final means of payment in all possible transactions.

The dissertation states the implementation of eight research tasks, the most important of which are the study of money and its functions, the analysis of monetary systems and monetary policies, the creation of a new concept of money supply and its calculation.

In methodological terms, the dissertation is based on the main research methods used to achieve the goals and objectives of the study, as follows: descriptive, historical, critical, inductive and deductive analysis; correlation and comparative analysis, statistical data analysis. The study gives the impression that it follows the covenant and the methods typical for the Austrian school, which are skillfully inscribed in modern conditions. At the same time, the PhD student offers his own methodology, which has a high research value and originality.

III. Scientific and practical contributions of the dissertation

The reviewed dissertation is a logically completed study developed in the spirit and style of liberal theory and the Austrian school. The author is a convinced and convincing supporter of liberal theory, as well as a staunch opponent of neo-Keynesian theory.

I evaluate the outlined contributions as scientifically substantiated author's results, including:

- A systematic analysis of money as an economic phenomenon has been performed, monetary substitutes have been defined.
- A chronological analysis of the main stages in the development of monetary systems, their characteristics in the conditions of fiat money.
- The shortcomings of the classical instruments for measuring the money supply are pointed out.

- Based on the revealed methodological shortcomings of traditional monetary aggregates such as M1 and M2, the dissertation proposes a new monetary aggregate, called Actual Money Supply or AMS for short. Its components are based on the principles that money serves as the final means of paying for all transactions and that the money substitute is a claim on cash that is convertible at face value.
- A quantitative analysis was performed that showed a significant impact of money supply on changes in the six main macroeconomic indicators in the US such as consumer price index, gross domestic product, current account balance, number of employees and value of the S&P 500 index. The results show extremely high significance for the influence of the monetary aggregates M1, M2 and AMS on the result variables at different time lags. Empirical analysis also shows that the AMS aggregate has a very high descriptive ability as an economic factor.

I accept that the main thesis of the dissertation is definitely proven. The study successfully argues the optimization in the accuracy of measuring the money supply through the proposed original monetary aggregate, taking full account of the function of money as a "final means of payment" in all possible transactions. Testing the hypothesis of the dependence of the relationship between money supply aggregates on macroeconomic indicators is significant at over 99% confidence interval and certifies the validity of the conclusions.

IV. Evaluation of the compliance with the minimum requirements for acquisition of the educational and scientific degree of Doctor of Philosophy and the author's publications

The PhD student meets the minimum national requirements for obtaining the educational and scientific degree "Doctor". 45 points were collected from publications with a required 30 points, as can be seen from the reference for fulfillment of the minimum national requirements, according to Art. Art. 1a, para. 1 of the Regulations for implementation of the Law for the

development of the academic staff in the Republic of Bulgaria.

The PhD student presented for the purposes of the review two articles, 1 report and 1 study. The publications show that they indisputably reflect important aspects of the dissertation. There are untapped opportunities for more publications on the topic and for additional research to be published.

In the evaluation of the dissertation it is established that the PhD student has explored a large number of sources - books, scientific articles, documents, has conducted empirical analyzes based on specific actual data. He worked in compliance with the highest ethical academic standards, with conscientious use of the mentioned literary sources. The results from the use of anti-plagiarism software are very good, which shows the independent efforts of the doctoral student and the results achieved in the dissertation, which shows the independent efforts of the PhD student and the results achieved in the developed dissertation.

The author's summary has a volume of 47 pages and accurately and completely reflects the content of the dissertation.

V. Critical notes

Despite the positive overall assessment of the development, there are weaknesses and gaps that do not diminish the importance of what was achieved in the dissertation, as follows:

- The Austrian school has the characteristics of a leading and the only noteworthy and credible theoretical concept in the study. Despite the addition of information about other scientific schools, this does not seem to be thorough enough and leads to a certain asymmetry.
- There is a certain tendency to give rather political assessments for a given action or assumption, without it being substantiated following the methodology of scientific research and science based on facts.

VI. Conclusion

The presented dissertation for the educational and scientific degree "Doctor" has the required by the Regulations for Development of the

Academic Staff in D. A. Tsenov Academy of Economics quantitative and qualitative characteristics. It contains scientific and applied research results that represent an original contribution to science. The dissertation development shows that the candidate has in-depth theoretical knowledge in the relevant scientific field and abilities for independent research. Therefore, I recommend that the doctoral student Vladimir Hristov Sirkarov should be awarded with the educational and scientific degree "Doctor" in the field of higher education: 3. Social, economic and legal sciences; Professional field: 3.8. Economics; Doctoral program "Finance, Money Circulation, Credit and Insurance (Finance)".

10th January 2021
Sofia

Prof. Stoyan Prodanov, PhD