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REMARKS ON FINANCIAL CRISIS, SPECULATIVE BUBLES AND SOME SPECIFICS IN THE CZECH ECONOMY

Abstract:

This paper deals with financial crisis and bubbles on financial markets. Authors first compare theoretical approaches to the crisis, then identify common characteristics of past financial crisis and the recent crises, then analyze price bubbles as a possible source of the crisis, ways of their estimation and possible responses of economic policies. The analytical part is focused on the case of the Czech Republic, as the paper finds some specific features in the bubble performance in the Czech Republic, as the Czech economy was characterized by the low cost of labour and very low price of properties, a heritage of the transformation era.

Keywords:

financial crises, speculative bubbles, specifics features in the Czech economy

JEL Classification: E32, G01

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