

Modeling the relationship of public sector financial flows

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Abstract

The main purpose of the public financial policy is a complete software revenue sources of the production process of public goods. Accordingly, it is necessary to talk about the process of production and distribution of public goods and the emergence in connection with this public commitment. With respect to the public sector and public finances, we consider the savings, mainly as a compulsory social insurance, although within the model *obshchefinansovoy* savings are understood in a broader sense. The fact that modern economists tools base on an interdisciplinary disintegration, that generates a variety of instruments used obstructs breaking of the vicious circle. As a result, "white noise" exists - the imaginary simulated stochastic processes, which superimposes on the unpredictability of the human factor (corruption, opportunistic behavior, information asymmetry, etc.). The natural result - the growth of the standard error. Conflicts between traditional methods of governance and modern reality suggest the need for the new approaches to these issues. Thus, in our opinion, it is necessary to make a clarification of the definition of "public good" in order to establish a more complete investigation of compliance terminological subject base.

Keywords

Economic theory, Financial policy, Macroeconomics, Public finance efficiency, Public goods, The state budget