This dissertation addresses inefficiencies and problems in the financial markets of post-transition countries, which denies the use of standard estimation techniques. It focuses on interest rate markets and empirically analyzes the situation in the countries that joined the EU in May 2004. These countries underwent significant changes over the last two decades and markets in these countries are often not stable and not developed. In my dissertation I am conducting research in the areas where the empirical results are very scarce. A deeper understanding of the specifics in the markets of post-transition countries can be very helpful for example in designing policy measures touching these markets.