

The study of economic crises has been a major topic of interest in economics since at least the Great Depression and it has come to the fore once again after the latest crisis of late 2000s. It has also been one of the key themes for the Austrian school of economics in the form of the Austrian Business Cycle Theory (ABCT), which puts emphasis on monetary factors influencing capital structure of the economy. In this thesis we provide a comprehensive exposition of the distinctive points of Austrian approach to the study of markets, the ABCT's propositions and conclusions and also the most important criticism of the theory and replies to it. The theoretical part is accompanied by an empirical illustration on the economy of the United States of America in the period starting at the end of the latest crisis.