

Bachelor thesis is focused on one of the most topical themes in the field of a monetary policy, the negative interest rates. Until recent times the effective lower bound of interest rates imposed by central banks was thought to be the strict null but macroeconomic conditions of certain European countries or Japan made policy makers start to experiment with the unexplored tool of a monetary policy. They broke the zero lower bound and employed the negative interest rates. Since it seems that the effective lower bound would not be zero but it is situated in the negative territory probably – and the thesis tries to find such a value. The discussion starts at the beginning of the twentieth century with the well-known economist Silvio Gesell, then continues to present and gives a view of the countries, which have already implemented negative interest rates in some form. Additionally, the thesis is focused on the issue concerning an increase in risks presented by the financial markets arising from this monetary policy. Last but not least, it takes into account the problem of the substitution from electronic money to cash, how this constraint can be overcome and on what level of negative interest rates this could take place.