The present bachelor thesis aims to analyse the fundamental structure and functioning of *pronoia*, a Byzantine fiscal institution, associated with the bestowal of the tax revenues from designated area. The author attempted to answer the question what was its core principle, what circumstances influenced the introduction and development of *pronoia*, what were the effects of its existence on the Byzantine society and the functioning of the state and what were socioeconomic consequences caused by *pronoia*'s creation. Additionally, the thesis should provide a brief description of the subsequent evolution of *pronoia* during the course of 13th to 15th and determine to what extent the *pronoia* could have affected the decline of the Byzantine Empire which occurred after the death of Manuel I Komnenos, principally after the conquest of the Byzantine capital of Constantinople by the Fourth Crusade in 1204.