

PDF - THE IMPACT OF MONETARY POLICY ON THE NIGERIAN ECONOMIC GROWTH -

researchcub.info CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Macroeconomic policy consists of the actions aimed at inducing appropriate changes in macroeconomic aggregates such as output, employment and the price level. The major components of macroeconomic policy include fiscal, monetary, debt management, exchange rate and prices and incomes policies. The objectives of macroeconomic policy include price stability, balance of payments equilibrium, a satisfactory rate of growth and a high level of employment of the labour force. Monetary policy being one of the available tools of macroeconomic policy assists in the pursuit of these macroeconomic objectives. Monetary policy refers to the actions undertaken by a central bank to influence the availability and cost of money and credit as a means of helping to promote national economic goals. The policy which aims at controlling the growth of the monetary aggregates is expected to assist the other policy tools in achieving the pre-stated macroeconomic objectives as well as economic growth. Monetary policy is very important because it can go further than some of the tools in helping to attain the overall policy goals but it must be supported by these other tools. The Central Bank of any country makes use of monetary policy instruments to influence the level of money supply in the economy.

The monetary policy instruments are the direct means available to the monetary authorities for influencing the intermediate variables to achieve the ultimate goals of policy. Monetary policy instruments are of two types: first, quantitative, general, indirect or market-based instruments; and second, qualitative, selective or direct control instruments. The direct control instruments are discretionally manipulated to achieve some set targets while the market-based instruments are employed in a well developed financial system to influence market participants in such a way that the desirable targets are achieved. The indirect instruments include bank rate variations, open market operations and changing reserve requirements and they regulate the overall level of credit in the economy through commercial banks. The direct instruments on the other hand are aimed at controlling specific types of credit and they include changing margin requirements and regulation of consumer credit. While the indirect instruments have been used very extensively in the more developed market economies, the direct instruments predominate in less developed economies such as ours. Both techniques aim at influencing the cost and availability of banking systems credit. The direct technique involves fixing of credit ceilings and interest rates by the monetary authorities for compliance by banks, while the indirect technique achieves the same objective through the financial markets. The most potent instrument of the indirect or market based technique is Open Market Operations (OMO).

THE IMPACT OF MONETARY POLICY ON THE NIGERIAN ECONOMIC GROWTH

The complete project material is available and ready for download. All what you need to do is to order for the complete material. The price for the material is NGN 3,000.00.

Make payment via bank transfer to Bank: Guaranteed Trust Bank, Account name: Emi-Aware technology, Account Number: 0424875728

Bank: Zenith Bank, Account name: Emi-Aware technology, Account Number: 1222004869

or visit the website and pay online. For more info: Visit <https://researchcub.info/payment-instruct.html>

After payment send your depositor's name, amount paid, project topic, email address or your phone number (in which instructions will sent to you to download the material) to +234 70 6329 8784 via text message/ whatsapp or Email address: info@allprojectmaterials.com.

Once payment is confirmed, the material will be sent to you immediately.

It takes 5min to 30min to confirm and send the material to you.

For more project topics and materials visit: <https://researchcub.info/> or For enquiries: info@allprojectmaterials.com or call/whatsapp: +234 70 6329 8784

Regards!!!