

Monetary Policy: The Central Bank or the monetary authority of any country is generally mandated with the responsibility of conducting the national monetary policy, which essentially represents the delicate act of finding some balance between the demand for and supply of money, often achieved by altering the price of money, the interest rate. The delicate balancing act involves the avoidance of not only excess supply of money as a source of risk to inflation, but also tight liquidity conditions as a constraint to economic growth and high employment opportunity.