



**Economic policy**

**The objectives of the economic policy**

**The types of economic policy**



- ✓ **By industry**
- ✓ **Functionally-oriented division (fiscal, monetary, structural)**

## Elements/measures of economic policy

- ✓ **Administrative (legal infrastructure)**
- ✓ **Economic**
- ✓ **Institutional (institutions: authorities, state property, business and trade unions)**

### Economic elements:

- ✓ **Monetary policy (monetary)**
- ✓ **Budget**
- ✓ **Tax (fiscal)**
- ✓ **Investment**
- ✓ **Foreign trade**

Economic elements:

Monetary policy (monetary)

Budget

Tax (fiscal)

Investment

Foreign trade

**Methods=concepts:**

**OPERATIONS ON THE OPEN MARKET**

**CHEAP MONEY POLICY (looser  
monetary policy)**

**TIGHT MONEY POLICY**

# Monetary policy

Impact on the quantity of money in circulation

*Price stabilization*

*Employment*

*The growth of real output*

*Exchange rate*

- ✓ Stimulating measures of the Central Bank to increase money supply
- ✓ The economic policy of restraining

**64. Types and tools of Monetary economic policy and their impact on the forms of international economic relations (open SCHEME)**

- *The norm of reserve requirements*
- *Central bank rate*
- *Buy/sell of government securities by Central Bank*

**Economic elements:**

**Monetary policy (monetary)**

**Budget**

**Tax (fiscal)**

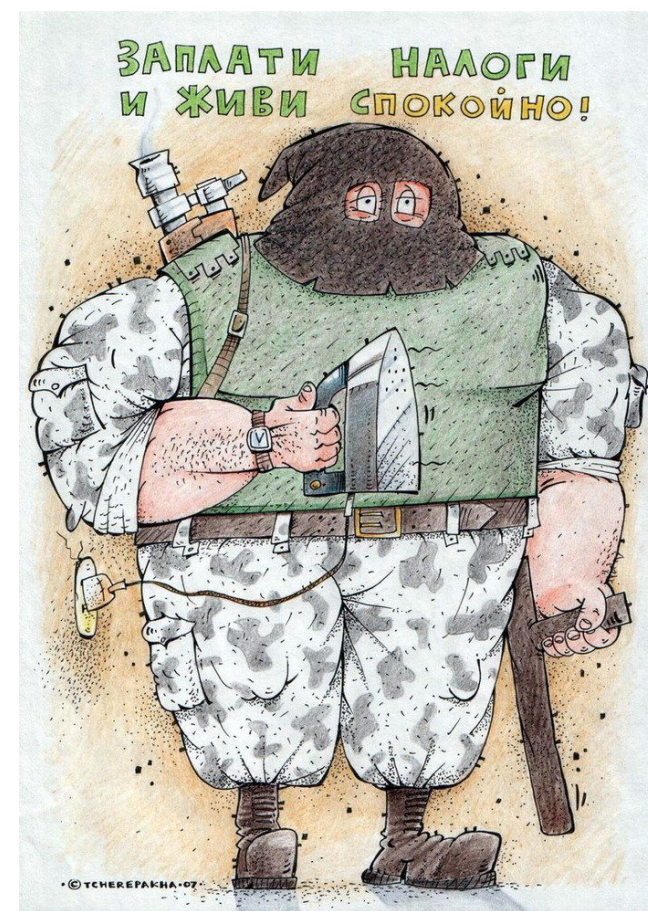
**Investment**

**Foreign trade**

# Fiscal policy

- ✓ **Stimulating**
- ✓ **The economic policy of restraining**

**65. Types and tools of Fiscal economic policy and their impact on the forms of international economic relations (open SCHEME)**



***Government Purchases  
Taxes  
Transfers***