



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)

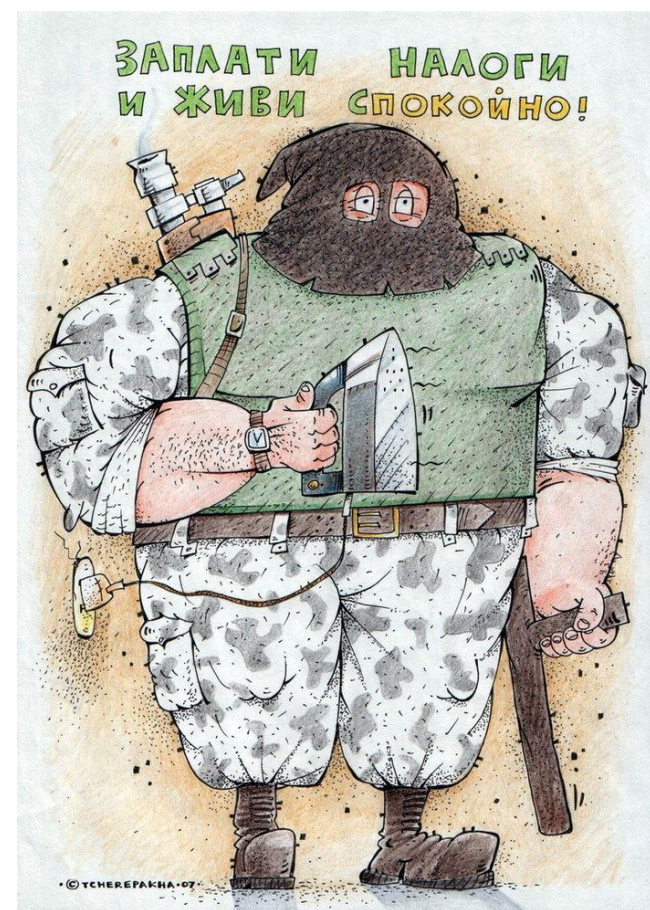
Investment

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*