Topic 3) Monetary Policy

Do I know my stuff?

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| Explain the role of the Monetary Policy Committee (MPC) of the Bank of England and discuss how the Bank can influence the money supply (quantitative easing) and interest rates |
| Explain the objectives of monetary policy |
| Explain the instruments of monetary policy |
| Understand the factors that the MPC consider when setting interest rates |
| Understand the relationship between interest rates and the exchange rate and how the exchange rate might be an influence on policy objectives such as price stability and unemployment |