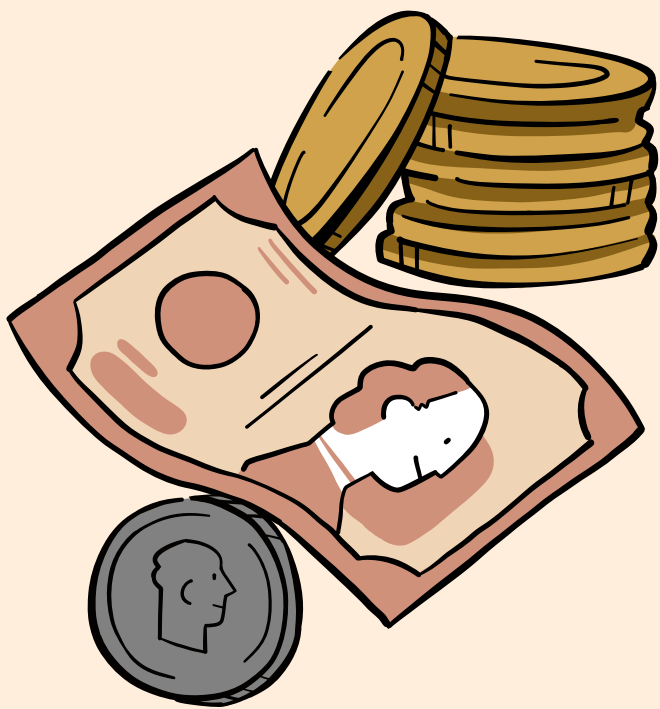


INSTRUMENTS OF THE MONETARY POLICY

Qualitative Measures

Bank Rate

The bank rate, also known as the Discount Rate is the oldest instrument of monetary policy. Bank rate is the rate at which the RBI discounts - or, more accurately



Open market Operations

Open market operations are the means of implementing monetary policy by which a central bank controls its national money supply by buying and selling government securities or other financial instrument