

5 Multiple choice questions

1. explains how changes in the stance of monetary policy pass through the economy to influence economic objectives such as inflation and economic growth
 - a. money supply
 - b. monetary policy
 - c. transmission mechanism
 - d. cash rate
2. actions by the reserve bank to influence the cost and supply of money and credit in the economy, in order to achieve the governments policy objectives
 - a. monetary policy
 - b. money supply
 - c. domestic market operations
 - d. cash rate
3. the total amount of funds in an economy that can be used as a medium of exchange, a measure of value, a store of value and a method of deferred payment
 - a. transmission mechanism
 - b. cash rate
 - c. monetary policy
 - d. money supply
4. actions by the reserve bank in the short term money market to buy and sell second commonwealth government securities in order to influence the cash rate and the general level of interest rates
 - a. domestic market operations
 - b. cash rate
 - c. monetary policy
 - d. transmission mechanism
5. the interest rate paid on overnight loans in the short term money market
 - a. cash rate
 - b. monetary policy
 - c. transmission mechanism
 - d. money supply