Answer on Question #50193, Economix, Macroeconomix

Task:

What are the factors that determines the effectiveness of monetary policy in reviving the economy from recession. Why kins though monetory policy was ineffective in reviving the economy from depretion.

Answer:

A world experience shows, that the main factors, which determine the effectiveness of monetary policy in reviving the economy from crisis, are:

- macroeconomic conditions;
- external economic factors;
- social and economic policy of the country;
- the state of the budget sphere;
- informational uncertainty;
- state and liberalization of the financial market, its globalization.

Misunderstanding or ineffective interpretation of each of these factors can lead to ineffective in reviving the economy from depretion.

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