

## WHAT IS 'MONETARY OFFSET' IN ECONOMICS?

Relevant for: Indian Economy | Topic: Issues relating to Growth & Development - Inflation & Monetary Policy

This refers to changes in the monetary policy of a central bank in response to changes in the fiscal policy of the government. A major responsibility of a central bank is to keep inflation under control and prevent the economy from overshooting its potential growth. However, deficit spending by governments, which is financed through the creation of fresh money by the central bank, can increase the overall money supply and lead to an increase in prices across the economy. In such cases, the central bank can choose to offset the inflationary impact of high government spending by contracting the overall supply of money in the economy.

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Last week Ram Kadam, a BJP MLA from Maharashtra, told the men in an audience that if they were interested in women who didn't reciprocate the feeling,

**END**

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