

GS-III Indian Economy and Issues Relating to Planning, Mobilization of Resources, Growth, Development and Employment.

- 1. What is Monetary Policy Committee? Explain its objectives and Functions. What are the recent measures taken by the Central bank and Government to revive the slowdown in the Economy?**

Why this Question?

- ▶▶ The Monetary Policy Committee (MPC) cut the repo rate again, the fifth time since February 2019 by 0.25 percentage points, based on the views of the MPC members on current and projected economic conditions.

Key Demands of Question:

- ▶▶ Explain about the Monetary Policy Committee
- ▶▶ List out its objectives and its functions.
- ▶▶ Explain the recent measures taken by the Government and Central Bank to revive the slowdown.

Structure of Answer:

Introduction:

- ▶▶ Give brief intro about the Monetary Policy Committee and its role.

Body:

- ▶▶ Explain in detail about the MPC and its composition.
- ▶▶ Explain its stated objectives and its functions.
- ▶▶ List out the measures taken by the central bank to revive the slowdown in the Economy.
For ex: reduction in the policy rate cut.
- ▶▶ Explain how the policy rate cut led to the growth in the Economy.
- ▶▶ List out the measures taken by the government to revive the slowdown in the Economy.
For ex: corporate tax reduction, fiscal stimulus, etc.
- ▶▶ Explain how these will help to revive the growth in the Economy.

Conclusion:

- ▶▶ Conclude with the way forward measures to revive the growth in the Economy.