

OCR Economics A-Level

Macroeconomics

Topic 5 - The Financial Sector

Flashcards

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Narrow money



Narrow money

Physical currency, as well as deposits and liquid assets in the central bank



Broad money



Broad money

The entire money supply, it includes liquid and less liquid assets



Financial market



Financial market

When buyers and sellers can buy and trade a range of services or assets that are fundamentally monetary in nature



Harrod-Domar model



Harrod-Domar model

Savings provide the funds that are used for investment, and growth rates depend on the level of saving and the productivity of investment. Therefore, growth in developing countries is limited by the lack of investment



Microfinance



Microfinance

Schemes which aim to give poor and near-poor households permanent access to range of financial services



Central banks



Central banks

A financial institution that has direct responsibility to control the money supply and monetary policy, to manage gold reserves and foreign currency and to issue government debt



Recession



Recession

Two consecutive quarters of negative economic growth

