

## CHAPTER OVERVIEW

### 23: Monetary Policy Tools

#### Chapter Objectives

By the end of this chapter, students should be able to:

1. List and assess the strengths and weaknesses of the three primary monetary policy tools that central banks have at their disposal.
2. Describe the federal funds market and explain its importance.
3. Explain how the Fed influences the equilibrium fed funds rate to move toward its target rate.
4. Explain the purpose of the Fed's discount window and other lending facilities.
5. Compare and contrast the monetary policy tools of central banks worldwide to those of the Fed.

[23.1: The Federal Funds Market and Reserves](#)

[23.2: Open Market Operations and the Discount Window](#)

[23.3: The Monetary Policy Tools of Other Central Banks](#)

[23.4: Suggested Reading](#)

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