Difference between Fisical Policy and Monetary Policy

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Fiscal Policy	Monetary Policy
Fiscal policy refers to the changing tax rates and levels of government spending to influence aggregate demand in the economy by government	Monetary policy refers to changing the interest rate and influencing the money supply by Central Bank.
It focus on economic Development.	It focus on Economic Stability.
Tax rates and government spending are the key instrument used in fiscal policy.	Interest rates are the key instrument used in monetary policy.
Fiscal policy changes in every year.	Changes is depends on the economic status of the nation.
Fiscal Policy is concerned with government revenue and expenditure.	Monetary Policy is concerned with borrowing and financial arrangement.

There are two types of fiscal policy :- (a) Expansionary fiscal policy (b) Contractionary fiscal policy	There are two types of measures adopted by central bank to credit control in the economy. They are a) Quantitative measures b) Qualitative measures
The policy in which the government minimizes taxes and increase public spending is known as Expansionary fiscal policy .	Following are the quantitative measures:- -Bank rate, Cash reserve ratio, statutory liquidity ratio, Repo rate, Reverse repo rate. Open Market Operations
The policy in which the government increases taxes and reduce public expenditure is known as Contractionary fiscal policy	Following are the qualitative measures :- -Credit Regulation, Moral persuasion, Directives, Rationing of credit.

Conclusion

The main purpose of the monetary policy include bringing price stability, controlling inflation, strengthening the banking system, economic growth etc, while the main objective of the fiscal policy is to bring stability, reduce unemployment and growth of the economy.

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