



[Glossary]

Financing Development

Subject:	Business Economics
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Unit No. & Title:	Unit – 4 Technological Progress
Lecture No. & Title:	Lecture – 2 Financing Development

Glossary

Financial Liberalization: It is a term used for deregulation of financial markets from measures which restrict these markets in fulfilling the financial needs of the agricultural, industrial and trade sectors easily which in turn prevent their growth.

Informal Financial Sector: The activity of money lending and borrowing which is not formally registered and functions by non-uniform rules between various types of needs, various regions and various sectors is called the informal financial sector.

Microcredit: Microcredit is an extremely small size of loan with easy terms of repayment which is given to impoverished people to help them become self employed. This type of lending popularly evolved during the 1970s.

Monetization: It is a process of formally converting or accepting an asset as a legal form of money.

Money Market Integration: It is a process of bringing all markets catering to monetary and financial assets under one system of functioning and regulation to attain macroeconomic objectives. **Quantity Theory of money:** It is a theory in economics which was propounded by classical economists and which states that there is a proportional and positive relationship between quantity of money in an economy and the general price level.

Theory of Prior Savings: It is the theory which establishes that savings are a prerequisite for investment.