



Money Market





Introduction



Money Market is a market where short term instruments that mature in a year or earlier are traded.

Money market is a market for short-term financial assets which are near substitutes for money.



CALL MONEY MARKET



Meaning

Call money market is that part of the national money market where the day-to-day surplus funds, mostly of banks, are traded in.

The loans made in this market are of a short-term nature, their maturity varying between one day to a fortnight.



As these loans are repayable on demand and at the option of either the lender or the borrower, they are highly liquid, their liquidity being exceeded only by cash.

The nature of Call money market in different countries varies from each other.



MONEY MARKET

Call Money

- 1 day only

Notice Money

- 1 to 14 days

Term Money

- more than 14 days

