

- \*\* Banker, Agent and advisor to government.
- \* A central bank conducts the banking accounts of government departments. It accepts their deposits and undertakes inter-bank transfers.
- \* central bank also gives loans to the government.
- \*\* As Agent a central bank also provides various services as require to the government.
- \* It manages public debt.
- \* It undertakes payment of interest on this ~~debt~~ debt, and all sorts of other services relating to public debt.
- \*\* central bank acts as the advisor to the government it ~~after~~ after examining the situation in the market advice the government what kind of fiscal policy.

should be followed.

## \*\* Banker's Bank and Supervisor.

\* manager of Cash Reserve — The central bank is a reservoir of the cash reserves of commercial banks. Commercial bank — maintain a certain proportion like cash reserve ratio (CRR).

\* Lender of the last resort. — When commercial banks fail to meet their financial requirements from other sources, they can approach the central bank which gives loans and advances as lender of the last resort.