

SEIGNIORAGE

Meaning: Seigniorage is the profit earned by a government from the difference between the face value of currency and the cost of producing it.

1. Seigniorage represents the profit made by a government from issuing currency.
2. The increase in seigniorage can lead to inflation if not managed properly.
3. Central banks often rely on seigniorage as a source of revenue for funding public services.
4. Historically, seigniorage has been a crucial factor in the economic strategies of many nations.
5. Understanding seigniorage is essential for grasping the complexities of monetary policy.

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