

# Distinction between Central Bank and Commercial bank

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# Distinguish between commercial bank and central bank

- The Central bank is the apex monetary institution which has been specially empowered to exercise control over the banking system of the country.
- The commercial bank is a constituent unit of the banking system.

- The primary aim of the central bank is to achieve the objectives of the economic policy of the govt. and maximize the public welfare through monetary measures.
- The central bank does not deal directly with the public.
- The commercial bank have profit earning as their primary objectives.
- The commercial bank directly deals with the public.

- The central bank has the monopoly of note-issue.
- The central bank is the custodian of the foreign exchange reserves of the country.
- The central bank does not compete with the commercial bank.
- The commercial banks do not enjoy such right.
- The commercial bank is only the dealers in foreign exchange.
- It helps the commercial banks.



THANK YOU