

Abstract

This research explores the effect of monetary policy on corporate financial performance, examining how changes in interest rates, money supply, and central bank policies influence corporate profitability, investment decisions, and overall financial health. Using a mixed-methods approach, the study analyzes how businesses in different sectors respond to shifts in monetary policy, particularly in times of economic uncertainty or policy change. The aim is to understand the mechanisms through which monetary policy impacts corporate strategies and financial outcomes.

The research integrates quantitative analysis of corporate financial data, including profit margins, return on equity (ROE), and capital investment, with qualitative insights gathered from interviews with financial managers, economists, and policy experts. The quantitative component assesses the correlation between changes in key monetary policy indicators, such as interest rates and inflation, and corporate financial performance across a range of industries. The qualitative component delves into how businesses adjust their strategies in response to monetary policy, including pricing, investment, and financing decisions.

Findings from this study contribute to a deeper understanding of how monetary policy affects corporate financial performance. The research highlights the complex relationship between macroeconomic policy and business outcomes, offering practical recommendations for corporate managers on how to adapt to policy changes. These insights are valuable for policymakers, business leaders, and financial analysts seeking to navigate the impacts of monetary policy on corporate strategy and financial stability.