

Guidelines to Attempt Calculate Inflation Question

Problem Statement

It is difficult to make a budget that spans several years, because prices are not stable. If your company needs 200 pencils per year, you cannot simply use this year's price as the cost of pencils, two years from now. Due of inflation, the cost is likely to be higher than it is today.

Requirement

Write a program to gauge the expected cost of an item in a specified number of years.

The program takes the following input :

The cost of the item, the number of years from now and the rate of inflation.

The program calculates the estimated cost of the item after the specified period and displays the same. The user enter's the inflation rate as a percentage, such as 5.6 (percent).

Your program should then convert the percent to a fraction, such as 0.056, and should use a loop to estimate the price adjusted for inflation.

Steps:

1. First Convert the inflation rate percentage to fraction

Ex:

```
double inflation = input.nextDouble();
```

Assuming inflation =5.6;

Now convert the above value into fraction

```
double inflationvalue=inflation/100*.01;
```

```
Now the inflationvalue=0.056.
```

2. Create a method in Source class

```
public double calculateCost(double cost, int years, double inflationrate)
```

Lets assume the following inputs that will be passed to the above method.

```
double cost=2000
```

```
int years=12;
```

```
inflationrate=inflationvalue;(ie 0.056)
```

```
public double calculateCost(double cost, int years, double inflationrate)
```

```
{
```

```
    for (int i = 0; i < years; i++)
```

```
        cost += cost * inflationrate;
```

```
        cost = (int) (cost * 100) / 100.0;
```

```
    return cost;
```

```
}
```