The Art of Analytics

EXPLORING VALUE FROM DATA

Ajeet Kushwaha

Lecture#6

Inflation

Inflation is calculated by measuring the change in prices of a basket of goods and services over time.

The most common way to measure inflation is to use the Consumer Price Index (CPI). The CPI is a measure of the average change in prices paid by urban consumers for a basket of consumer goods and services. The CPI is calculated by taking the average price of a basket of goods and services in a given month and dividing it by the same basket from a previous month. The difference between the two prices is the inflation rate.

For example, if the CPI in January is 100 and the CPI in February is 105, then the inflation rate for February is 5%. This means that the prices of goods and services have increased by 5% from January to February.

Cause of Inflation

Increased Demand

Decrease Supply

Increase Money Supply

Deflation

Study Material

Click Me

Thank You

IN CASE OF ANY DOUBT, FEEL FREE TO ASK ME