

A/ ASSESSMENT RECAP

- **Length:** 1,500 words total (+10% buffer)

Task: A report analyzing how a country has managed inflation over the past 15 years.

Research Areas:

- Inflation
- GDP growth
- Taxation
- Interest Rates and Borrowing Costs
- Government Regulations
- Unemployment rates
- Consumer Price Index (CPI) and Producer Price Index (PPI)
- Consumer Purchasing Power
- Central Bank Policies
- Supply and Demand Dynamics
- Exchange Rates
- Monetary Policy Measures
- Fiscal Policy Adjustments

Suggested structure:

I. Introduction

II. Background of Inflation in the country

III. Inflation's Impact on the country's Economy and Businesses

IV. Policies and Strategies for Inflation Management

V. Evaluation of Policy Effectiveness

VI. Lessons and Recommendations

VII. Conclusion

B/ DEFINITION

- Inflation:
 - Inflation refers to the general increase in the prices of goods and services over time, leading to a decrease in the purchasing power of a currency.
- GDP Growth:
 - Gross Domestic Product (GDP) growth measures the increase in the total value of goods and services produced within a country's borders over a specific period, indicating the overall economic health and performance.
- Taxation:
 - Taxation is the process by which governments collect revenue from individuals and businesses to fund public services and government activities.
- Interest Rates and Borrowing Costs:
 - Interest rates represent the cost of borrowing money. Higher interest rates generally mean increased borrowing costs for individuals and businesses.
- Government Regulations:
 - Government regulations are rules and guidelines set by authorities to control and manage various aspects of business and societal activities in the interest of public welfare.
- Unemployment Rates:
 - Unemployment rates measure the percentage of the workforce that is unemployed and actively seeking employment, providing insights into the health of the job market.
- Consumer Price Index (CPI) and Producer Price Index (PPI):

- CPI measures the average change in prices paid by consumers for a basket of goods and services, reflecting inflation. PPI gauges the average change in selling prices received by producers.
- Consumer Purchasing Power:
 - Consumer purchasing power is the ability of individuals to buy goods and services, influenced by factors such as income, inflation, and the overall cost of living.
- Central Bank Policies:
 - Central bank policies refer to the strategies and measures adopted by a country's central bank to control monetary conditions, including interest rates and money supply, to achieve economic objectives.
- Supply and Demand Dynamics:
 - Supply and demand dynamics describe the relationship between the availability of goods or services (supply) and the desire of buyers to purchase them (demand), influencing market prices.
- Exchange Rates:
 - Exchange rates represent the value of one currency in terms of another, determining the cost of international trade and influencing economic activities.
- Monetary Policy Measures:
 - Monetary policy measures involve actions taken by central banks to manage money supply, interest rates, and credit conditions to achieve economic stability and growth.
- Fiscal Policy Adjustments:
 - Fiscal policy adjustments refer to changes in government spending, taxation, and borrowing to influence the overall economic activity and achieve macroeconomic goals.

C/ REFERENCE

1. Background of Inflation in the country (180 words)

[Inflation rates in the Japan](#)

[Japan - inflation rate 1987-2028 | Statista](#)

[GDP growth \(annual %\) - Japan](#)

[Real interest rate \(%\) - Japan](#)

[Tackling Japans Inflation Shock](#)

2. Inflation's Impact on the country's Economy and Businesses (220 words)

[\(Nishijima et al., 2020\).](#)

[\(Zhao et al., 2021\).](#)

[\(Watanabe, 2020\).](#)

[\(Matsuyama & Tabuchi, 2022\).](#)

[\(Hoshi & Kashyap, 2020\).](#)

[\(Jung, 2020\).](#)

[\(Christensen & Spiegel, 2021\).](#)

[\(Harada, 2020\).](#)

[\(Ino & Watanabe, 2021\).](#)

[\(Carvalho et al., 2020\)](#)

[\(Inoue & Todo, 2020\).](#)

[Japan economic outlook, October 2023](#)

[The Japanese Economy in 2024: Looking Toward Possible Post-COVID Growth](#)

[Japan DEC CPI Likely hit 18 months low fuelling steady view BOJ](#)

[Japan CPI forecast](#)

3. Policies and Strategies for Inflation Management (300 words)

[\(Harada, 2020\).](#)

[\(Heckel & Nishimura, 2022\).](#)

[\(Alekseievskia & Mumladze, 2020\)](#)

[\(Inoue & Okimoto, 2021\).](#)

[\(Masui, 2020\).](#)

[\(Christensen & Spiegel, 2021\).](#)

[\(Bianchi, Faccini, & Melosi, 2020\).](#)

4. Evaluation of Policy Effectiveness (270 words)

[\(Nagao, Kondo, & Nakazono, 2020\).](#)

[\(Heckel & Nishimura, 2022\).](#)

[\(Alekseievskaya & Mumladze, 2020\).](#)

[\(Inoue & Okimoto, 2021\).](#)

[\(Christensen & Spiegel, 2021\).](#)

[\(Taghizadeh-Hesary, Yoshino, & Rasoulinezhad, 2021\).](#)

[\(Westelius, 2020\).](#)

[Japans Narrowing Options on Monetary Easing](#)

[What is the reserve requirement system? What are excess reserves?](#)

[Bank of Japan](#)

[Economic Policy Examining the Policy Effectiveness of Negative Interest Rates: A Case Study on Japan](#)

[OECD urges Japan's central bank to gradually raise interest rates](#)

[Japan's narrowing options on monetary easing](#)

[Japan Interest rate rise next BO Governor hike](#)