

A/ ASSESSMENT RECAP

- **Length:** Length: 1,500 words total (excluding references, graphs/charts, and tables)

The Task: This assessment focuses on a detailed analysis of a specific country's management of inflation over the past 15 years, analyzes the effectiveness of policies and strategies implemented by a country's government or central bank in managing inflation and maintaining price stability, focusing on their impact on businesses.

The country: Japan, Burma, South Korea, Cambodia, Indonesia, Malaysia, Philippines, China, Vietnam, Thailand

Suggested structure:

1. Introduction
2. Background of Inflation in the country
3. Inflation's Impact on the country's Economy and Businesses
4. Policies and Strategies for Inflation Management
5. Evaluation of Policy Effectiveness
6. Lessons and Recommendations
7. Conclusion

B/ DEFINITION

- **Inflation:** The rate at which the general level of prices for goods and services is rising, and, subsequently, the purchasing power of currency is falling. Central banks attempt to limit inflation, and avoid deflation, in order to keep the economy running smoothly.
- **Consumer Price Index (CPI):** A measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care. It is commonly used as a measure of inflation.
- **Monetary Policy:** The policy adopted by the monetary authority of a country, like the central bank, to control the supply of money, availability of money, and cost of money or rate of interest, in order to achieve a set of objectives oriented towards the growth and stability of the economy.
- **Fiscal Policy:** The use of government spending and tax policies to influence economic conditions, including demand for goods and services, employment, inflation, and economic growth.

- **Interest Rates:** The amount charged, expressed as a percentage of principal, by a lender to a borrower for the use of assets. Interest rates are typically noted on an annual basis, known as the annual percentage rate (APR).
- **Macroeconomic Stability:** Refers to a state in which an economy's major indicators, like inflation rates, growth rates, and unemployment rates, are in balance and are not subject to extreme fluctuations.
- **Purchasing Power:** The value of a currency expressed in terms of the amount of goods or services that one unit of money can buy. Inflation reduces the purchasing power of money.
- **Business Stability:** A condition where businesses in a country are able to grow or remain healthy, without extreme fluctuations in profits, sales, or business operations, often influenced by the country's economic policies and conditions.
- **Quantitative Easing:** A monetary policy wherein a central bank buys predetermined amounts of government bonds or other financial assets in order to inject money into the economy to expand economic activity.
- **Supply-Side Policies:** Economic policies designed to stimulate the economy by increasing production. This could involve reducing business taxes and regulations, and promoting technological innovation.

C/ REFERENCE

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