231002 – Inflation – 8.1, 8.2

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| Measuring P: | |
| CPI – U  CPI excluding food & fuel  Median CPI  Trimmed Mean CPI |  |
| Quantitative Theory of Money | |
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| Classical dichotomy – definition and assumptions: |  |
| Classical dichotomy – results: |  |
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231002 – Inflation – 8.1, 8.2

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231002 – Inflation – 8.3, 8.5

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| Currency:  Money Base: | M1:  M2: |
| Inflation Deflation Disinflation \_ | |
| Fisher Equation: | TIPS |
| Costs and Benefits of Inflation | |
| Borrowers benefit from unexpected \_\_\_\_\_\_\_\_\_\_\_\_\_\_ because:  Lenders benefit from unexpected \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ because:  Disinflation is a problem because:  From a lender’s point of view, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ inflation is best. | |
| **Fiscal Causes of**  Why do governments increase M if it causes ? | Gov BC: |
| Seigniorage or inflation tax is: | Central Bank Independence |
| Monetizing the debt: | |

231002 – Inflation – 8.3, 8.5

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| Currency:  Money Base: | M1:  M2: |
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