## Measuring Inflation

Calculating a Price Index

## The Goals of Macroeconomic Policy

presentation covers the material in these sections

- 6-10 The Goal of Low Inflation
  - 6-10a Inflation and Real Wages
  - 6-10b The Importance of Relative Prices
- 6-11 Inflation as a Redistributor of Income and Wealth
- 6-12 Real versus Nominal Interest Rates
- 6-13 <u>Inflation Distorts Measurements</u>
  - 6-13a Confusing Real and Nominal Interest Rates
  - 6-13b The Malfunctioning Tax System
- **6-14** Other Costs of Inflation

