

INFLATION (Ch 6-2)

A. INFLATION

1. Inflation and Real Wages
2. Consumer Perceptions
3. Re-distribution Effects

B. REAL AND NOMINAL INTEREST RATES

C. DISTORTIONS CAUSED BY INFLATION

1. Confusion of Real and Nominal Rates
2. Effects
3. Real Consequences of Inflation
4. Inflation and Unemployment

D. MEASURING INFLATION (Appendix)

1. Index Numbers
2. Methodology
3. Chain Weighting
4. Uses of Price Indices