

Presentation

INFLATION



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INFLATION



**VOLATILE
ENERGY PRICES**

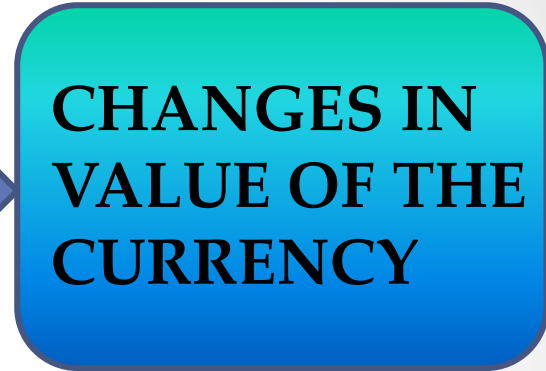
**GOVERNMENT INDIRECT
TAXES CAN
CHANGE**

REASONS

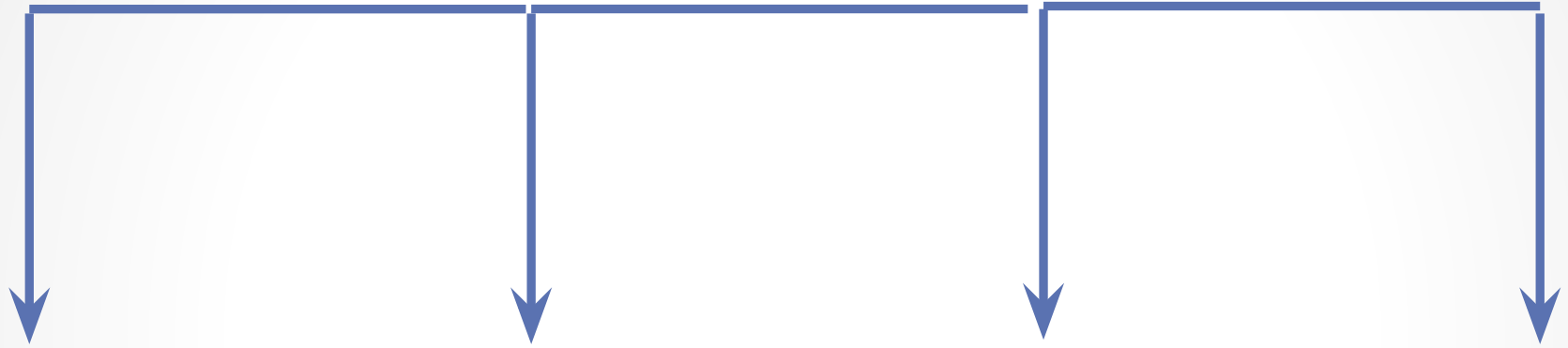
**CHANGES IN
VALUE OF THE
CURRENCY**

**VOLATILE
FOOD
PRICES**

**UNCERTAIN
GROWTH
OF
DEMAND**



Types of inflation



Coverage or scope:

- a) Comprehensive or Economy Wide inflation.
- b) Sporadic inflation.

Time of occurrence:

- a) War-Time infl.
- b) Post-War infl.
- c) Peace-Time infl.

Government's reaction or control:

- a) Open infl.
- b) Suppressed or Repressed infl.

Different causes:

- a) Deficit infl.
- b) Credit infl.
- c) Scarcity infl.
- d) Profit infl.
- e) Tax infl.

CONSEQUENCES OF INFLATION



How to Control

? Inflation? ?

These are broad ways of controlling inflation in an economy:

- 1) Monetary measures
- 2) Fiscal measures
- 3) Wage and price controls
- 4) Other Measures
- 5) Two Group Of Thoughts

Interesting facts about inflation

1. A dollar from 1950 is now worth only \$0.12

2. The movie Cleopatra cost \$44 million to make in 1963. With inflation taken into account, the same movie would cost \$300 million to make today .

3. Historians cite runaway inflation as a major cause of ancient Rome's fall.

4. imported gold and silver from the New World caused widespread inflation in Europe between the 15th and 17th centuries.



**Thank you for your
attention!**

