QUESTIONS - INFLATION

1. Describe the relationship between inflation and purchasing power. (4)

2. Name TWO causes of demand-pull inflation? (2)

3. Name TWO causes of cost-push inflation. (2)

4. Name FOUR possible measures that can be used to fight demand-pull inflation. (4)

5. Name FOUR measure that can be used to fight cost-push inflation. (4)

6. Describe the economic effects of inflation. (8)