

THINK CRITICALLY

Handwrite your responses in the space below; 2 sentences each.

1. What is inflation? How is it measured?
2. Explain how disinflation, reflation, and hyperinflation differ.
3. What is deflation?
4. How does demand-pull inflation differ from cost-push inflation?
5. Explain how inflation and employment levels are related.
6. How does inflation affect spending, saving, and investing decisions?
7. Explain what is meant by the time value of money.

(over for more)

