Inflation is the rate at which the general level of prices for goods and services rises. Inflation can be measured in terms of the annual rate of growth in the consumer price index (CPI) or retail price index (RPI). Inflation is considered to be a problem when it reaches high levels, as it can lead to falling in purchasing power of the currency. To maintain a smooth functioning of an economy, it is very much necessary to keep the inflation rate within permissible limits for the smooth functioning of the economy. Inflation is a general increase in prices normally expressed as the annual rate of growth in the consumer price index (CPI) or retail price index (RPI), measures of the inflation rate.

Inflation and disinflation are key concepts in macroeconomics. Inflation occurs when the overall price level of goods and services rises over time. Disinflation is a milder version of deflation and may also occur automatically during a recession when sales slow down. Controlling the amount of credit that banks can lend and hire purchase available to consumers without causing more unemployment is crucial to keeping the inflation rate under control.

Disinflation is a milder version of deflation and may also occur automatically during a recession when sales slow down. Controlling the amount of credit that banks can lend and hire purchase available to consumers without causing more unemployment is crucial to keeping the inflation rate under control.

Inflation has been shortened in common usage to simply inflation. Among the many branches of economics, two of the best known areas are the study of macroeconomics and microeconomics. The two concepts are closely intertwined and can sometimes be confusing.

In the last century, there have been several periods of inflation around the world. One of the most famous periods of inflation was in Weimar Germany, which lasted from August 1922 to December 1923. Business Insider has a good write-up with historical examples of hyperinflation for those interested.

Inflation or deflation relate to the CPI price index. So how does inflation or deflation relate to the CPI price index? The CPI is designed to track changes in the cost of living for an average urban consumer. It reflects the prices of all goods and services that an average urban consumer would purchase.

What is inflation definition and meaning? Slowing down the rate of inflation by controlling the amount of credit bank loans hire purchase available to consumers without causing more unemployment disinflation is a milder version of deflation and may also occur automatically during a recession when sales slow down.

Economicstutor.com.au has been created by Romeo Salla, an Australian economics educator and former Federal Treasury economist. It offers support to students and teachers of economics, particularly those undertaking a secondary economics course in Australia.

The International Journal of Central Banking (IJCB) is an initiative of the central banking community published quarterly. It features articles on central bank theory and practice with a special emphasis on research. The International Journal of Central Banking (IJCB) is an initiative of the central banking community published quarterly. It features articles on central bank theory and practice with a special emphasis on research relating to monetary and financial stability.

Federal Reserve Bank of New York Federal Reserve Bank of New York

Economicstutor.com.au has been created by Romeo Salla, an Australian economics educator and former Federal Treasury economist. It offers support to students and teachers of economics, particularly those undertaking a secondary economics course in Australia.