

IE Unit 1 (1) - PowerPoint

C Galaxy

Home Insert Draw Design Transitions Animations Slide Show Record Review View Help Tell me what you want to do

New Slide Reset Section Slides

Font Paragraph Drawing Editing

Economy as a Developing Economy

Basic Characteristics of Economic Planning

Monetary policy and Fiscal Policy

Money Supply & Inflation, Inflation trends

[The link between Money Supply and Inflation - Economics Help](#)

- In theory, there is a strong link between the money supply and inflation. If the money supply rises faster than real output, then prices will usually rise.*
- [How Does Money Supply Affect Inflation? \(investopedia.com\)](#)
- This means if a Central Bank prints more money, we will often (though not always!) get higher inflation*

Year	number of widgets	Money supply	average price	inflation rate
2000	20,000	10,000	0.5	
2001	24,000	12,000	0.5	0%
2002	28,000	14,000	0.5	0%
2003	32,000	20,000	0.625	25%
2004	36,000	30,000	0.833	33%

Notes Comments

English (India) Accessibility: Investigate

68%

