

YouTube Title: "Inflation Cartoon With Ducks!!!" <http://www.youtube.com/watch?v=ggxX1hPLbg0>

Video Length: 2:23 minutes

Chapter 7: Inflation, p. 132

Topic: What is Inflation?, p. 133

Key Terms: Inflation, hyperinflation

Learning Objective 1: How inflation is measured.

Economic Application

This cartoon illustrates a scenario of significant inflation. In this cartoon a machine has been developed that duplicates money. Money, therefore, has become "easy" (according to the description in the cartoon) and less valuable. Numerous goods and services have substantially increased in price (clearly the average level of prices has risen) leading to significant inflation.

Multiple-Choice Question

Inflation is:

- a) an increase in a few specific product prices.
- b) an increase in the average level of prices.
- c) an increase in averages incomes.
- d) an increase in the Gross Domestic Product.
- e) an increase in the employment rate.

Discussion Question

What is inflation?