Inflation Match-Up

Directions Match the words in Column 1 with their meanings in Column 2. Write the letter on the line.

	Column 1		Column 2
1	I. inflation	a.	prices rise due to high demand and limited supply
2	2. deflation	b.	measure of how much prices for goods and services bought by producers are changing
	3. cost-push inflation	c.	pattern of rising prices and higher wages
	. demand-pull inflation	d.	buying power of money goes down
	inflationary cycle	e.	rates charged to borrow money, which rise with inflation
	5. consumer price index (CPI)	f.	was a long period of deflation
7	• producer price index (PPI)	g.	prices rise due to higher cost of resources
8	3. fixed income	h.	their value is lowered by inflation
	• adjustment for inflation	i.	prices drop, but people have less money to buy goods
10	. interest rates	j.	amount added to income because of inflation
11	. savings and investments	k.	an income that does not change, regardless of inflation
12	2. Great Depression	I.	measure of how much the prices of necessary items are changing