Chp. 13-2

1. What is inflation?
2. What is purchasing power?
3. How does a drop a purchasing power skew GDP?
4. What is deflation and what can be said about it?
5. What is the CPI?
6. What is included in the calculation of CPI?
7. What is the PPI?
8. Why does the PPI usually increase before the CPI?
9. What is the GDP deflator and why is it used?