**SSEMA1 The student will illustrate the means by which economic activity is measured.**

b. Define Consumer Price Index (CPI), inflation, stagflation,

c. Explain how economic growth, inflation, and unemployment are calculated.

1. Go to <https://archive.econedlink.org/interactives/EconEdLink-interactive-tool-player.php?iid=205> and watch the video on Inflation
   1. Answer these questions as you watch it
      1. How do we measure inflation? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      2. What is the tool called that we use to measure Inflation? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      3. Over time what has happened to prices on average? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      4. Who is hurt most by inflation? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      5. Who else is hurt by inflation? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      6. Who is helped by inflation? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      7. How do lenders protect themselves against inflation? \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
      8. Practice with the inflation calculator.
         1. Change the starting year to 1980. Calculate how much each item below would cost in 2009 compared to its cost in 1980.

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| --- | --- | --- |
| **Item** | **1980 Cost** | **2009 Cost** |
| Bread | 48¢ |  |
| Gas | $1.25 |  |
| Car | $7,210.00 |  |
| Milk | $2.16 |  |

* 1. Take the quiz on inflation after the video. Report your score below.