OUTLINE III: PRICE LEVEL

Parkin: Chapters 6 (140-143) & 12 (284-287)

1. Price Level and the AD-AS Model

2. Measuring the Average Price Level
   2.1 The GDP-Deflator
   2.2 The Consumer Price Index (CPI)
       Constructing the market basket
       Constructing the CPI
       GDP-Deflator and CPI
       Is the CPI an accurate measure of the price level?

3. Cost of changes in the price level
   3.1 unexpected changes
   3.2 expected changes
   3.3 hyperinflation

4. Price Stability (Part I)