

ECONOMICS 202
MACROECONOMICS
Dr. Evrensel

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)