

Economics Class Notes for IAS and PCS

Chapter no 5: Inflation

Inflation

- Inflation – Increase (↑) Rate of general price.

CTGH

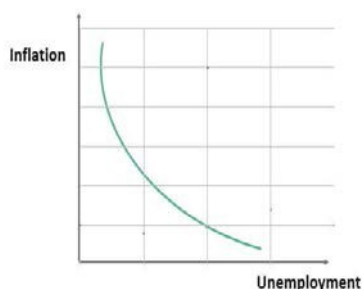
- Creeping Inflation (C) – Rate of general price, (↑) to 5% per year.
- Trotting Inflation (T)– 5 to 10%
- Galloping Inflation (G)– 10 to 20%
- Hyper Inflation (H)– 20 to 30%


- Deflation – when fall in level in General Price.
- Disinflation – Decrease Rate of Inflation

- Stag Inflation – Inflation + unemployment
- Skew Inflation – one particular part (↑) inflation

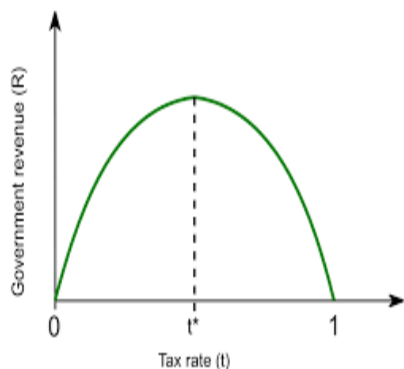
- Philips curve mean $\text{Inflation} \propto \frac{1}{\text{unemployment}}$

Phillips Curve



- Benett law (Protein inflation) – $\text{Income} \propto \text{Inflation}$  WallStreetMojo

- Laffer curve show graph between tax revenue and tax rate





- WPI (Whole Price index) – measure, change in price of selection of goods at whole sale, prior retail sales thus exclude sale tax.
- WPI – Publishing by “Economic Advisor in Ministry of Commerce & Industry”.

Type of Currency

- M0 = Currency in circulation + Banker Deposit with RBI + other deposit with RBI
- M1 = M0 + Demand deposit of Bank (current & saving) + other deposit of RBI
- M2 = M1 + Demand deposit of Post office
- M3 = M2 + Time Deposit of Bank
- M4 = M3 + All deposit with Post office saving bank

(M0 = Reserve Money, M1 = Narrow Money, M3 = Broad Money)

- Function of RBI – credit to government, Credit to Bank, Commercial at Bank, Banker of Bank, Foreign Money

IMF:6 part of IMF

- IBRD: International Bank of Reconstruction & Development – all Requirement
- IDA: International Development Authority – Infrastructure Development
- IFC: International Financial Corporation – Private organization
- MIGA: Multilateral Investing Guarantee Agency – Encourage investment in foreign
- BIPA: Bilateral Investment Promotion & Promoting Agency
- ICSID: International Centre for Settlement of Investment Dispute-for all dispute

- Government agmark lab – Nagpur
- Ist Hydro Power Plant installed in Darjeeling

Revolution

- Yellow Revolution related to– oil
- Evergreen Revolution related to – development of Agriculture
- White Revolution related to – Milk
- Red Revolution related to – Meat
- Silver Revolution related to – Cotton
- Gold Revolution related to – Jute
- Green Revolution related to – Food grains
- Black Revolution related to – Petrol
- Brown Revolution related to – Coco/ leather
- Pink Revolution related to – Onion/ Prom
- Round Revolution related to – Potato
- Grey Revolution related to – fertilizer
- Rainbow Revolution related to – Holistic Development of Agriculture
- Blue Revolution related to – Fish



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