

Name: _____

Date: _____

Activity 1: Video Questions

Directions: As you watch the video, fill in the blanks in the notes below.

- A. Inflation is a rise in the general or average _____ of all the goods and services produced in an economy.

- B. We can't measure what happens to all prices; therefore we measure what happens to _____ that the average person might buy. This is then calculated as price index known as the _____.

- C. When the average level of prices increases the buying power of the dollar _____.

- D. People on fixed incomes are generally _____ by inflation because their incomes remain the same, but their buying power _____.

- E. Borrowers are _____ by inflation because they pay back money that will buy less than when they borrowed it. Lenders are _____ get paid back with lowered valued money. Savers are _____ by inflation because their savings are worth less.