

Inflation

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an increase in price levels and reduction in the value of money due to a change in aggregate supply or demand

Aggregate

the sum or whole amount of something

Aggregate Supply

the total amount of goods and services produced or provided in an economy during a specific time period; also known as total output

Aggregate Demand

explains the relationship between the average price of aggregate supply and the quantity demanded

Price Level

the weighted average of the prices paid for all goods and services produced within the economy

Producer Price Index

measures the average change in domestic selling prices over a given period of time

Consumer Price Index

considers the weighted averages of a group of consumer goods and services and can be calculated through taking price changes in each item in the predetermined group of goods and averaging them

Gross Domestic Product (GDP)

the total market value of all goods and services produced within the borders of a country during a specific time period

Interest Rate

the rate charged to borrow money