

Solutions

Each answer shows the steps, then the **result**.

2.1

- a sustained rise in the general price level

2.2

- $\text{CPI} = \frac{250}{200} \times 100 = 125$

2.3

- $\frac{126 - 120}{120} \times 100 = 5\%$

3.1 B

3.2 B

3.3

(a)

- $\text{CPI} = \frac{460}{400} \times 100 = 115$

(b)

- 15%