## **HOW DOES INFLATION WORK?**

- 1. Which sentence is true?
  - a) A barrel of crude oil costs less than it did two years ago.
  - **b)** Crude oil prices were depressed about a year ago.
  - c) Prices for crude oil are falling.
- 2. Many common goods ...
  - a) are in short supply.
  - **b)** have wildly fluctuating prices.
  - c) are maintaining a stable price.
- **3.** Governments ... demand.
  - a) have tried to stimulate
  - **b)** can do nothing about
  - c) would like to reduce
- **4.** Americans can't get enough ...
  - a) smartphones.
  - **b)** used cars.
  - c) new cars.
- **5.** Brazilians are suffering from inflated prices for ...
  - a) housing
  - b) cabbage
  - c) cars



1.	
2.	
3.	
4.	
5.	

Answers: 1. b - 2. a - 3. a - 4. c - 5. b.