

## CHAPTER OVERVIEW

### 10: Inflation and Money

#### Chapter Objectives

By the end of this chapter, students should be able to:

1. Describe the strongest evidence for the reduced-form model that links money supply growth to inflation.
2. Explain what the aggregate supply-aggregate demand (AS-AD) model, a structural model, says about money supply growth and the price level.
3. Explain why central bankers allow inflation to occur year after year.
4. Define lags and explain their importance.

[10.1: Empirical Evidence of a Money-Inflation Link](#)

[10.2: Why Have Central Bankers So Often Gotten It Wrong?](#)

[10.3: Suggested Reading](#)

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