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## INFLATION

1. **2006 Q20 P1**  
 State four factors that may cause inflation in an economy. (4 marks)

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2. **2007 Q16 P1**  
 The average consumer price for a 500g container of cooking fat for various years is shown in the table below.

year	Consumer price Kshs.	Consumer price Index
2000	47	100
2001	53	-
2002	62	-
2003	74	-

- Calculate the consumer price index using year 2000 as the base year (3 marks)

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3. **2008 Q21 P1**  
 Outline four measures that a government may put in place to reduce high inflation in a country. (4 marks)

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**4. 2009 Q14 P1**

Country x has been experiencing an upward trend in the price of petrol as a result of a rise in inflation. State four steps that can be taken to minimize expenditure on this product (4 marks)

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**5. 2012 Q8 P2**

Outline one circumstance under which each of the following types of inflation may occur:

- (i) Creeping inflation (4 marks)
- (ii) Hyperinflation

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