

Inflation

Inflation is the rate at which the general level of prices for goods and services rises, resulting in a decrease in the purchasing power of money. It means that over time, a unit of currency buys fewer goods and services.

Types of Inflation:

- 1. Demand-Pull Inflation:** This occurs when the demand for goods and services exceeds their supply.
- 2. Cost-Push Inflation:** This happens when the costs of production increase, leading businesses to raise their prices.
- 3. Hyperinflation:** A situation where prices increase extremely rapidly as a result of a collapse in the value of the currency.
- 4. Deflation:** Though technically the opposite of inflation, periods of deflation can be associated with subsequent inflationary pressures.

Inflation affects the economy in various ways. Moderate inflation is often seen as a sign of a growing economy. However, high inflation can erode purchasing power, increase the cost of living, and create uncertainty in investment. It may also lead to wage-price spirals and hurt savings, especially for those on fixed incomes. In severe cases, inflation can destabilize entire economies and reduce people's standard of living.

Questions

1. Extract key words from the text; and translate them into Arabic.
2. Answer the following questions:
 - What is inflation?
 - What are the three main types of inflation?
 - How does inflation impact the cost of living?
 - Is moderate inflation good for the economy?
3. Complete the sentences with the correct preposition (in, for, of, over, about):
 - Inflation results ____ a decrease in purchasing power.
 - Prices of goods and services rise ____ time.
 - The government is concerned ____ the rising inflation rate.
 - Inflation impacts the standard ____ living.
 - Workers demand higher wages ____ a better livelihood.

4. Conjugate the verb: **write** in the Present Perfect continuous, Past Perfect continuous and the future Perfect continuous. **(with Examples)**

5. How to Ask Questions Using "Do"

Structure: **Do/Does + subject + base form of the verb + ?**

Examples:

- ✓ Do you understand the effects of inflation?
- ✓ Does inflation affect investment decisions?
- ✓ Did she finish her homework?

6. How to Make Negative Sentences in English

Structure: **Subject + do/does/did + not + base form of the verb.**

Examples:

- ✓ I do not like high inflation.
- ✓ She does not agree with the government's inflation policy.
- ✓ They did not expect inflation to rise so fast last year.

7. Examples of irregular verbs

(Base Form)	(Past Simple)	(Past Participle)
arise	arose	arisen
begin	began	begun
break	broke	broken
bring	brought	brought
build	built	built
buy	bought	bought
come	came	come
drive	drove	driven
feel	felt	felt