

Inflation is an increase in the amount of money: True.

When the amount of money goes up, the value of money goes down.

Inflation is rising prices: False.

Inflation causes business people to make mistakes: True. It creates a false sense of security.

Inflation causes recessions and depressions: True.

Name one reason the Dark Ages lasted so long: The feudal governments were so brutal and crooked that their currency was worthless.

I read an article called India Needs Independent Anti-Terrorism Strategy, which called for India to cooperate with Pakistan and work on a plan to combat terrorism. I'd say the writer is a liberal, but not a libertarian, as he believes the government should be more hands-on when it comes to stopping terrorism.

At the beginning of this course, I answered three questions about economics: What do you currently know about economics; what do you think is the root cause of America's economic problems; and in the course of one day, how often do you discuss economics or seek out news regarding the economy?

Why is it important to study economics?

Why, you might ask, is it important to study economics? I think I can finally give you an answer. Economics is an incredibly important topic to study not just because it gives you a better idea of how our economy works, but how to profit from it. If you follow all the practical techniques suggested in *Whatever Happened to Penny Candy* and *The Clipper Ship Strategy*, you'll be in charge of a profitable business in very little time. But that's not the only reason why economics is such a good topic to study. When you understand how our economy works, you can begin to see, in several ways, just how broken it is! Inflation is the process governments use to avoid heavy taxation, but inflation, as has been shown over and over again, leads to a degrading currency and economic collapse. What do politicians do to get us back on our feet after a recession? They start inflating again, of course. If more people truly understood this process, I think we would probably go to a free market model, which is outlined in *Whatever Happened to Penny Candy*.

This article is the product of the new understanding I have gained from reading the Economic books that were part of this course. In order to get a completely well-rounded view, I will have to read other ideas about the economy. This article understandably is quite a bit different from the article I wrote at the beginning of the course, because I have come to understand why it's important to study economics in our economy.

I would definitely change my answer to the second question, as I now know that the root cause of America's economic problems is rampant inflation. Lastly, I would leave my answer to the third question the same, as the economy is still pear-shaped!