

Perception of People Regarding the Causes and Effects of Inflation in Bangladesh

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Abstract

This study explores perception of people regarding the causes and effects of inflation in Bangladesh. This research also finds out what should be done to improve the undesirable consequence on the economy. The economy in Bangladesh had faced with an inflationary trend over the year. This research work also examines the nature of relationship that exist between inflation and some other economic variables like money supply, exchange rate, government spending. Primary data are collected through structured questionnaire and data are analyzed through hypothesis testing, including z test to observe the result. Based on the analysis researchers forward some strategic points to reduce inflation like maintaining transparency in the fiscal operations of the government, controlling the price of the product and adequate preparation for disaster management.

Keywords: Inflation, Money supply, Economic growth, Deficit budget

1. Introduction

Growth with stability is an essential condition for attaining sustainable economic development. Inflation is a problem in all facets of life and in all economic entities. The government of any nation is concerned with the responsibility of ensuring that her plans and programs are not frustrated by unpredictable and galloping prices.

Every firm desires a stable macro-economic environment that is devoid of unrepentant price change that can bring about reliable forecast and planning. An individual also strives that he is not worse off by an unexpected price increase. All these bring home the need to explore the study of inflation so as to form a timeless and dependable model of its tendency (Awogbemi & Taiwo, 2012).

The concept of inflation has been defined as a persistent rise in the general price level of broad spectrum of goods and services in a country over a long period of time. Too much money in circulation, increases production costs, declines in exchange rates, decreases in the availability of limited resources such as food or oil etc. are the basic causes of inflation. Inflation is a sign that an economy is growing, but excessive economic growth can be detrimental as it can lead to hyperinflation as experienced, at the other extreme, an economy with no inflation has essentially stagnated. The right level of economic growth, and thus the right level of inflation, is somewhere in the middle. Creeping or mild inflation can be viewed as having favorable impacts on the economy. On the other hand zero inflation is harmful to other sectors in the economy with falling prices, profits, and employment.

2. Literature review

The causes of inflation, the relationship between money supply and the rate of inflation, and the impacts of inflation on economic growth have been investigated by a number of researchers. Following is a quick glimpse of literature on these issues.

Saha (2013), explains the historical trend of food inflation in Bangladesh. By using 12 years data he found that some of the short run factors like floods, cyclones, droughts, lack of grain reserves and high oil prices as well as some of the long run factors such as controlling supply chain through syndication, negligence of agriculture sector, trade liberalization and increasing trade deficit, increasing dependency on import, fluctuations of food grain prices in domestic market and currency depreciation are mainly responsible for rising food inflation in Bangladesh. He also stated that, consequences of food inflation are most severe on poor and middle class people. Due to middle men and brokers farmers did not get the benefit of increase of price of food grain.

A number of studies have been undertaken on the subject of money supply and prices.

Monetary policy is the main macro-economic policy formulated and implemented by the central bank. The wheel of development moves by taking forces from this policy. The aim of monetary policy is to keep inflation low and steady.

Qayyum (2006) attempts to investigate the linkage between the excess money supply growth and inflation in Pakistan. The results from the correlation analysis indicate that there is a positive association between money growth and inflation. He stated, money supply growth at first-round affects real GDP growth and in the second round it affects inflation in Pakistan. The important finding from the analysis is that the excess money supply growth has been an important contributor to the rise in inflation in Pakistan during the study period, thus

supporting the monetarist proposition that inflation in Pakistan is a monetary phenomenon.

Mallik & Chowdhury (2001) conducted co integrated analysis of inflation on economic growth in four South Asian countries Bangladesh, India, Pakistan and Sri Lanka and report two interest points. First, inflation and economic growth are positively related. Second, the sensitivity of inflation to changes in growth rates is larger than that of growth to change in inflation rates.

Inflation can be explained by various factors. The schools of thoughts in Economics provides different theories in this context. Fiscalist school of thought is of the view that when there is a persistent increase in fiscal deficits, then government opts for easiest choice of financing, monetization of the deficit, which will eventually raise price level.

Using a panel data set for eleven Asian countries from 1981 to 2010, Ishaq & Mohsin (2015), examines whether the deficits are inflationary or not in the presence of dependent central bank and fragile financial markets as institutions are important to analyze the relationship between deficits and inflation. The results from GMM system shows that deficits are inflationary for selected sample, while inflationary pressures of budget deficits is particularly stronger when financial markets are not fully developed and central banks are not free to follow their goals and objectives.

It is widely believed that moderate and stable inflation rates promote the development process of a country, and hence economic growth.

Ahmed & Mortaza (2010) mentioned that, moderate and stable inflation rates promote the development process of a country, and hence economic growth. Moderate inflation supplements return to savers, enhances investment, and therefore, accelerates economic growth of the country. They explore the relationship between inflation and economic growth in the context of Bangladesh. Using annual data set on real GDP and CPI for the period of 1980 to 2005, an assessment of empirical evidence has been acquired through the co-integration and error correction models. Further, it explores an interesting policy issue of what is the threshold level of inflation in the economy. The empirical evidence demonstrates that there exists a statistically significant long-run negative relationship between inflation and economic growth for the country as indicated by a statistically significant long-run negative relationship between CPI and real GDP. In addition, the estimated threshold model suggests 6-percent as the threshold level (i.e., structural break point) of inflation above which inflation adversely affects economic growth. These results have important policy implications for both domestic policy makers and the development partners working in the country. Specifically, our conclusion is of direct relevance to the conduct of the monetary policy of the Bangladesh Bank.

The optimal choice of exchange rate system is a long-standing problem in the open-economic system.

Islam & Biswas (2009), stated exchange rate change in the least developed countries like Bangladesh creates supply shock. Most of these countries are importers of foods, raw materials, capital goods, oil, etc. Bangladesh as for instance is drastically dependent on the imports of oil (refined and crude), cotton, gray fabric, capital goods, raw materials, rice, wheat, sugar, soybean, palm oil, edible oil, whose price increase could severely cause damaging inflation. Any increase in the exchange rate (i.e. devaluation) heaves the prices of these goods and ultimately cause inflation. Besides, most of the countries suffer from a massive trade balance deficit. Frequent changes of the exchange rate under such circumstances could cause only spiral damaging inflation.

3. Objectives of the study

The objectives of this research paper are to study to find out the Cause, effect and possible solution of an inflation problem of Bangladesh.

- To identify some causes of Inflation in Bangladesh.
- To identify the effects of inflation.
- To identify some possible recommendations to inflation

4. Methodology

For the study, researchers collected data from primary and secondary data sources. Primary data are collected through survey method. A structured (close end) questionnaire was designated to investigate. A survey conducted by using 300 responded was collected from university student belongs to department of Business Studies who just completed Micro and Macro Economics.

Secondary Data are collected from Bangladesh Bank's publications, Bangladesh Bureau of Statistics, Newspaper and different articles are used from website as secondary sources for the study.

Data are analyzed through hypothesis testing, including Z test. After reviewing the literature the researchers have identified the following hypotheses.

4.1 Cause

Hypotheses one: Increase in money supply is a factor of causing inflation, "Deficit Budget" influence inflation to be raised, and fluctuation of wages, fuel price over initiate's inflation

Hypotheses two: Inflation results from an international trade deficit.

Hypotheses three: Natural disaster leads to reduce production, supply shock responsible for originating inflation.

4.2 Effect

Hypotheses one: Inflation results initially hike in input price that means production cost, reduce production, increase unemployment.

Hypotheses two: Inflation also originates increase interest rate, increase the cost of capital, hinder further investment, and eliminate creating new job opportunity.

Hypotheses three: Due to inflated purchasing power reduced as a result part of society remains dissatisfied from consumption leads to standard of living will be low, income redistribution also unequal brings social instability and crime.

4.3 Solution:

Hypotheses one: Local demand of any food item (prone, Hilsha fish) should be met first, after that the international demand should be fulfilled.

Hypotheses two: Mobile court should be more concern about artificial supply shock.

Hypotheses three: Excess demand should be avoided as much as possible to the point that needs not to be a cold storage by households; it will be helpful to the market to introduce preservative free consumption.

Hypotheses four: Enough preparation should be taken for disaster management to overcome any kind of natural and technical disaster.

Hypotheses five: The more public project should be exercised to facilitate the farmers for farming. Also Government encourages Foreign Direct Investment in Agriculture sector in terms of Public Private Partnership as developing country.

The Hypotheses of the study were formulated in terms of null hypotheses and alternative hypotheses. The data got from the questionnaire had responses supporting either H_0 (null hypotheses) or H_1 (alternative hypotheses). The researchers have also decided to use Z-test, because, the sample size is more than 30. The calculating formula of Z is

$$Z = (\rho - \pi) / \sigma$$

And the level of significance for the test is 5%. This makes the tabulated Z to be ± 1.96 .

Also no of observation is 300 responded and success X (Support for the null hypotheses, No) by the respondent's opinion given on each table. $\rho = X/n$; π is population prportion is 25% ; $\sigma = \sqrt{\pi(1 - \pi)/n}$

5. Limitations Of The Study

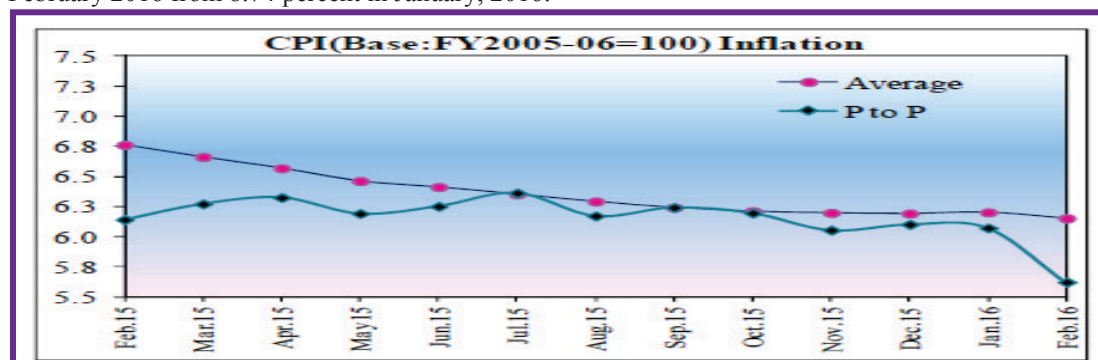
- Because of time shortage, many related areas can't be focused in depth.
- Website in different organization of Bangladesh contains poor information.
- Recent data and information activities were unavailable.

Table 1: RECENT TREND OF INFLATION IN BANGLADESH (2013-2016)

	Consumer Price Index(CPI) and Rate of Inflation at National Level (Base : FY2005-06=100)											
	Twelve-Month Average Basis						Point to Point Basis					
	General		Food		Non-food		General		Food		Non-food	
	Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation	Index	Inflation
2013-14												
July	182.86	6.99	194.49	5.71	167.95	8.96	186.79	7.85	198.95	8.14	171.18	7.40
August	183.94	7.19	195.75	6.20	168.81	8.71	189.44	7.39	203.09	8.09	171.94	6.35
September	185.01	7.37	197.02	6.73	169.62	8.35	192.24	7.13	206.88	7.93	173.48	5.94
October	186.07	7.47	198.37	7.23	170.31	7.83	194.01	7.03	209.25	8.38	174.46	5.02
November	187.16	7.51	199.75	7.62	171.02	7.36	194.76	7.15	210.27	8.55	174.92	5.08
December	188.27	7.53	201.21	7.93	171.70	6.94	195.82	7.35	211.87	9.00	175.26	4.88
January	189.42	7.60	202.65	8.25	172.47	6.64	198.15	7.50	213.65	8.81	178.26	5.53
February	190.57	7.57	204.10	8.37	173.23	6.39	198.54	7.44	214.17	8.84	178.51	5.37
March	191.72	7.55	205.57	8.49	173.98	6.16	198.84	7.48	214.45	8.96	178.82	5.26
April	192.87	7.48	207.03	8.51	174.72	5.94	198.93	7.46	214.50	8.95	178.97	5.23
May	194.01	7.44	208.49	8.59	175.45	5.73	196.60	7.48	210.27	9.09	179.07	5.16
June	195.08	7.35	209.79	8.57	176.22	5.54	196.86	6.97	210.15	8.00	179.82	5.45
2014-15												
July	196.18	7.28	211.11	8.55	177.04	5.41	199.94	7.04	214.75	7.94	180.95	5.71
August	197.27	7.24	212.40	8.51	177.86	5.37	202.53	6.91	218.66	7.67	181.85	5.76
September	198.36	7.22	213.72	8.48	178.68	5.34	205.39	6.84	222.66	7.63	183.25	5.63
October	199.43	7.18	214.97	8.37	179.51	5.40	206.81	6.60	224.23	7.16	184.47	5.74
November	200.44	7.10	216.10	8.18	180.36	5.47	206.86	6.21	223.81	6.44	185.14	5.84
December	201.44	6.99	217.13	7.91	181.31	5.60	207.78	6.11	224.29	5.86	186.62	6.48
January	202.43	6.87	218.21	7.68	182.20	5.64	210.12	6.04	226.61	6.07	188.98	6.01
February	203.45	6.76	219.30	7.45	183.13	5.71	210.73	6.14	227.26	6.11	189.58	6.20
March	204.49	6.66	220.44	7.24	184.04	5.78	211.31	6.27	228.12	6.37	189.77	6.12
April	205.54	6.57	221.60	7.03	184.95	5.85	211.51	6.32	228.39	6.48	189.86	6.08
May	206.55	6.46	222.69	6.81	185.86	5.93	208.77	6.19	223.37	6.23	190.06	6.14
June	207.58	6.41	223.80	6.68	186.79	5.99	209.17	6.25	223.43	6.32	190.88	6.15
2015-16												
July	208.64	6.35	224.88	6.53	187.81	6.08	212.65	6.36	227.80	6.07	193.26	6.80
August	209.68	6.29	225.99	6.39	188.77	6.13	215.03	6.17	231.91	6.06	193.39	6.35
September	210.75	6.24	227.09	6.25	189.80	6.22	218.21	6.24	235.85	5.92	195.59	6.73
October	211.81	6.21	228.19	6.15	190.82	6.30	219.62	6.19	237.44	5.89	196.77	6.67
November	212.86	6.20	229.25	6.09	191.84	6.36	219.38	6.05	236.61	5.72	197.29	6.56
December	213.91	6.19	230.28	6.05	192.94	6.41	220.45	6.10	236.57	5.48	199.78	7.05
January	214.98	6.20	231.09	5.90	194.31	6.65	222.87	6.07	236.42	4.33	205.50	8.74
February	215.96	6.15	231.81	5.70	195.65	6.84	222.58	5.62	235.82	3.77	205.62	8.46

Source: Bangladesh Bureau of Statistics, Ministry of Planning.

The twelve month average general inflation decreased from 6.20 percent in January 2016 to 6.15 percent in February 2016. The average food inflation decreased to 5.70 percent in February 2016 compared with 5.90 percent in January 2016, while the average non-food inflation increased to 6.84 percent in February 2016 from 6.65 percent on January 2016. The point to point general inflation decreased by 0.45 percentage points and stood at 5.62 percent in February 2016 from 6.07 percent in January 2016 due to decrease in the food inflation to 3.77 percent in February 2016 from 4.33 percent of January 2016 and the non-food inflation to 8.46 percent in February 2016 from 8.74 percent in January, 2016.



Source: Bangladesh Bank

Bangladesh Bank's Monetary Policy Stance: For The Second Half Of The Fiscal Year (Fy) 2016

The key objective of Bangladesh Bank's monetary policy is restraint and balance of CPI inflation together with associate output and employment growth. Bangladesh Bank would accordingly highlight on become stable CPI inflation. Bangladesh Bank's monetary and financial policies will remain supporting comprehensive, naturally sustainable growth; addressing its developmental role in the long term risks of macro-financial stability alongside a usual business cycle related short-term ones. The monetary policy stance for the second half of the FY16, therefore, will highlight the following points.

- Soothing inflation at a reasonable level targeted in the national budget and other macroeconomic policy statements,
- Supporting the public policy objectives of comprehensive, naturally sustainable growth, and ,
- Maintaining organization in changeover of domestic currency exchange rate

As continually, Bangladesh Bank expresses its monetary policy keeping two things in attention: monetary policy objectives and global as well as domestic developments.

6. Data Analysis

6.1 Causes

6.1.1 Increase in money supply is a factor of causing inflation. The supply of money is increasing every year. Excessive rise in the money supply contribute to the cause of high inflationary pressure in Bangladesh. Monetary theory that narrates changes in the quantity of money to changes in aggregate economic activity and the price level. A continuing increase in money supply might be an important factor in causing the continuing increase in the price level that we call inflation (Miskin, 2007).

Table 2: Respond to increase of money supply

Responses	Yes	No	Total
No of responses	245	55	300
Percentage	81.6 %	18.3%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is -2.68 and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. Increased money supply, deficit budget, fluctuation of wages, fuel price cause inflation.

6.1.2 Inflation results from international trade deficit.

Table 3: Respond international trade deficit

Responses	Yes	No	Total
No of responses	225	75	300
Percentage	80%	20%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is -2 and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. Inflation results from international trade deficit.

6.1.3 Natural disaster leads to reduce production, supply shock responsible for originating inflation. Natural disaster can temporarily create inflation by damaging production facilities. The depletion of natural resources will be a growing cause of inflation.

Table 3: Respond to Natural disaster

Responses	Yes	No	Total
No of responses	290	10	300
Percentage	96.7%	3.3%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is -8.68 and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. Natural disaster leads to reduce production, supply shock responsible for originating inflation.

6.2 Effects

6.2.1 Inflation results initially hike in input price that means production cost, reduce production, increase unemployment.

Table 4: Respond to hike in input price

Responses	Yes	No	Total
No of responses	210	90	300
Percentage	70%	30%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is 2 and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. Inflation results initially hike in input price that means production cost, reduce production, increase unemployment.

6.2.2 Inflation also originates increase interest rate, increase the cost of capital, hinder further investment, and eliminate creating new job opportunity.

Table 5: Respond to increase the cost of capital

Responses	Yes	No	Total
No of responses	210	90	300
Percentage	70%	30%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is 2.4 and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. Inflation also originates increase interest rate, increase the cost of capital, hinder further investment, and eliminate creating new job opportunity.

6.2.3 Due to inflation, purchasing power reduced as a result part of society remains dissatisfied from consumption leads to standard of living will be low, income redistribution also unequal brings social instability and crime.

Table 6: Respond to reducing purchasing power

Responses	Yes	No	Total
No of responses	286	14	300
Percentage	95%	4.6%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is $|-8.16|$ and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. Due to inflated purchasing power reduced as a result part of society remains dissatisfied from consumption leads to standard of living will be low, income redistribution also unequal brings social instability and crime.

7. Recommendations

7.1 Local demand of any food item (prone, Hilsha fish) should be met first, after that the international demand should be fulfilled.

Table 7: Respond to firstly meeting local demand.

Responses	Yes	No	Total
No of responses	205	95	300
Percentage	68.33%	31.67%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is 2.668 and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. So, the Government should take policy about Local demand of any food item (prone, Hilsha fish) should be met first, after that the international demand should be fulfilled.

7.2 Mobile court should be more concern about artificial supply shock.

Table 8: Respond to mobile court

Responses	Yes	No	Total
No of responses	285	15	300
Percentage	99.95%	.05%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is $|-8|$ and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. So, Mobile court should be more concern about artificial supply shock.

7.3 Excess demand should be avoided as much as possible to the point that needs not to be a cold storage by households; it will be helpful to the market to introduce preservative free consumption.

Table 9: Respond to avoiding excess demand

Responses	Yes	No	Total
No of responses	270	30	300
Percentage	90%	10%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is $|-6|$ and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. So, over the buying tendency by the household consumer should be changed.

7.4. Enough preparation should be taken for disaster management to overcome any kind of natural and technical disaster.

Table 10: Respond to disaster management

Responses	Yes	No	Total
No of responses	295	05	300
Percentage	99.98%	.016%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is $|-9.3332|$ and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. So, any kind of disaster (natural and unnatural) should be recovered with proper plan under disaster management.

7.5 More public project should be exercised to facilitate the farmers for farming. Also Government encourages Foreign Direct Investment in Agriculture sector in terms of Public Private Partnership as developing country.

Table 11: Respond to more public project

Responses	Yes	No	Total
No of responses	177	123	300
Percentage	59%	41%	100%

Source: Survey conducted by researchers

Null Hypothesis, $H_0 = \text{No}$

Alternative Hypothesis, $H_1 = \text{Yes}$

The calculated value of Z is $|6.4|$ and table value is 1.96. Here the calculated value is greater than the table value. So, it can reject the null hypotheses and accept the alternative hypotheses. So, any kind of disaster (natural and unnatural) should be recovered with proper plan under disaster management.

8. Policy Implications and Conclusion

Based on the analysis, it was established that inflation in Bangladesh was caused by such dynamic factors as increased deficits, money supply (M_1), interest rate, real exchange rate and other factors.

The government should maintain transparency in the fiscal operations to bring about realistic fiscal deficits. Fiscal deficits, where recorded should be channeled to productive investments like road constructions, electricity provision, and other overheads that will serve as incentives to increase productivity and high Gross Domestic Product (GDP). Therefore, deficit financing should only be applied in a situation in a situation of true economic recession to reduce the incidence of inflation.

Policy concerning of Supply and price of the product and other should be monitored regularly so that invisible hands or corruption free market force be assured.

Determining power of money supply (M_1) on inflation, the policy of selective credit control should be pursued with the vigor it deserves. Greater efforts should be made to make available, short, medium and long term loans to productive investments like small scale business as they constitute an integral part of growth and transformation process of an agro business economy.

Exchange policy should be designed to bridge the savings, investment gap, enhance government revenue to reduce the fiscal gap in the long run. This implies that domestic productivity and export should be enhanced.

To reduce exchange rate, the foreign exchange market should be policed to ensure that only those who have the aim to add value to the real sector get attention.

Different Public Projects and Public Private Partnership Projects should be employed to ensure sufficient supply and reduced production cost to produce so that inflation rate maintained to tolerance level.

Therefore, the multi-dimensional and dynamic nature of the determinants of inflation in Bangladesh pose a problem further researchers to continually make recommendations for curbing inflationary tendencies in Bangladesh.

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Appendice

A Survey Questionnaire On Inflation Of Bangladesh: Cause, Effect And Solution

Dear Students: The objective of this survey is to identify your opinion about inflation of Bangladesh: Cause, Effect & Solution.

Please tick (√) to the option according to your knowledge that you have learned.

A. Inflation : cause

1. Do you think that increase of money supply is a factor of causing inflation?

Yes	No

2. Has "Deficit Budget" influence inflation to be raised?

Yes	No

3. Do you agree "Inflation result from international trade deficit"?

Yes	No

4. Natural disaster leads to reduce production, responsible for originating inflation. Do you agree?

Yes	No

5. Is artificial supply shock stimulating inflation to arise inflation?

Yes	No

6. Fluctuation of wages, fuel price over time initiates inflation?

Yes	No
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B. Inflation : Effects

1. Inflation results initially hike in input price that means production cost, reduce production, increase unemployment. Do you agree?

Yes	No

2. Inflation also originates increase interest rate, increase cost of capital, hinder further investment, and eliminate creating new job opportunity.

Yes	No

3. Due to inflation purchasing power reduced as a result part of society remains dissatisfied from consumption leads to standard of living will be low, income redistribution also unequal brings social instability and crime.

Yes	No

C. Inflation: Solution

1. Local demand of some food item (Prone, Hilsha fish) should be met first after that international demand should be fulfilled.

Yes	No

2. Mobile court should be more concern about artificial supply shock.

Yes	No

3. Excess demand should be avoided as much as possible to the point that needs not to be cold storage; it will be helpful to the market to introduce preservative free consumption.

Yes	No

4. Enough preparation should be taken as disaster management to overcome any kind of natural and technical disaster.

Yes	No

5. More public project should be exercised to facilitate the farmers for farming, Government also encourage FDI in Agriculture sector in terms of PPP as developing country.

Yes	No