

"Think in  
... other terms..."



National University



Science and Technology

## FACULTY OF APPLIED SCIENCE

### DEPARTMENT OF APPLIED MATHEMATICS

# ASSESSMENT OF THE IMPACT OF MONEY SUPPLY GROWTH ON INFLATION ZIMBABWE

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*Programme: BSc (Hons) Applied Mathematics*

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**This research project is submitted in Partial Fulfilment of the Requirements of  
the Bachelor of Science Honours Degree in Applied Mathematics**

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### **Abstract**

Money Supply and Inflation analysis are primarily areas of economics studies. However, the two deal with a lot of statistical and mathematical data that the two subjects fall into studies of Econometrics. This project analyses the growth and trend patterns of money supply and inflation in Zimbabwe from 2003 up to 2007, the period in which the inflation in Zimbabwe became hyper-inflationary.

The first section gives a brief overview of the historic events prior 2003 that somewhat led to the hyperinflationary environment. The second section looks at the academic data that has been used to describe and model inflation in other parts of the world. The third part presents and analyses the data relating to Zimbabwe per se. This section then derives relationships between money supply and inflation and produces forecasting models that are valid to the Zimbabwean context. The final part of the project is the evaluation of the project by the author. The author shows the strengths and weaknesses of the project as well as making recommendations about the entire study under research.