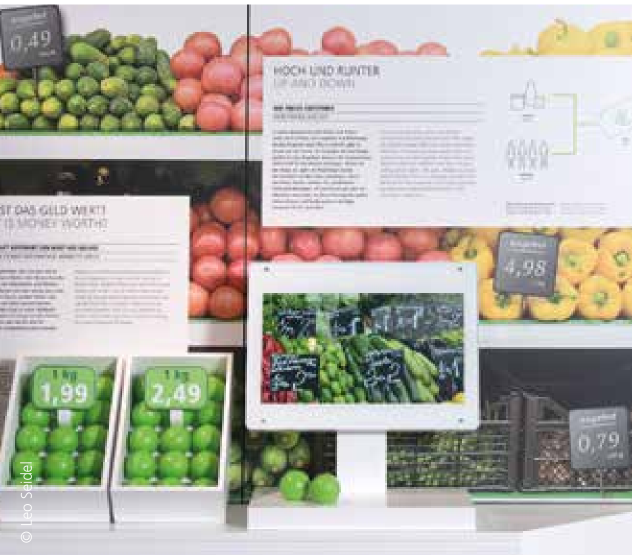
Welcome to the “Price stability – present” discovery tour

There are six questions for you to answer.
The photos show you where in the museum you can find the answers.
Please enter your answers in the spaces.
Good luck and have fun!

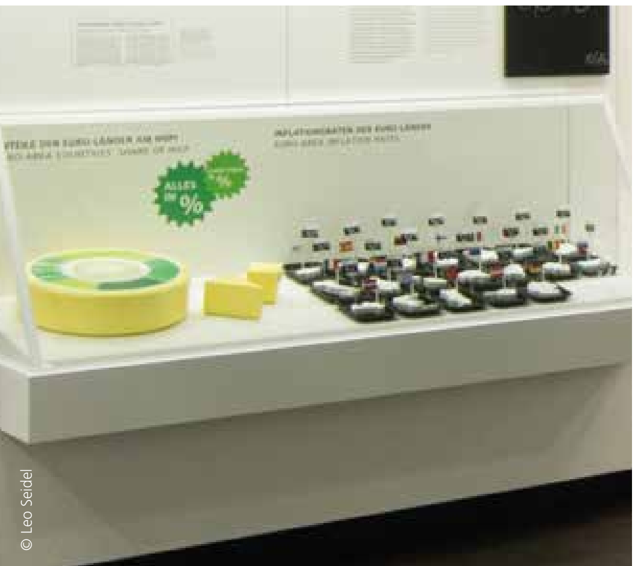


1 Money is a medium of exchange that makes it easier for us to buy things. Money’s value lies in its purchasing power which, in turn, depends on the price of goods.

How is the purchasing power of money defined?

2 To measure the purchasing power of money, the Federal Statistical Office uses a representative “basket” containing 600 goods.

Which category of goods makes up the largest, and which the smallest share, of consumer spending?

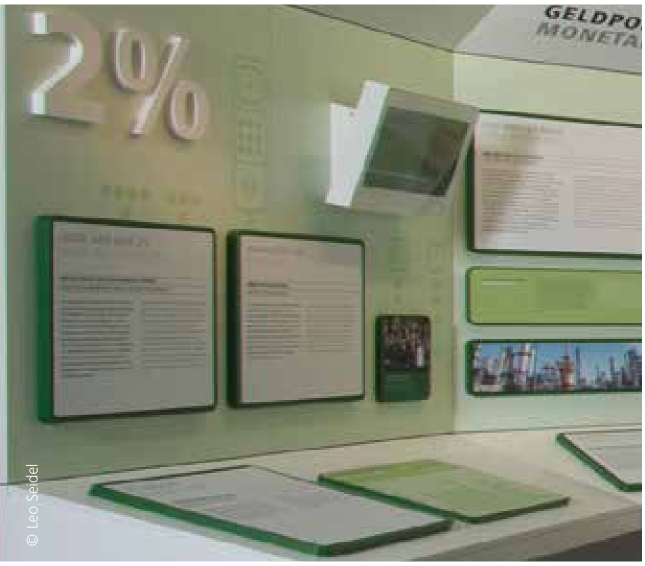


3 The euro area uses the “Harmonised Index of Consumer Prices” (HICP).

What does this index measure and how is it calculated?

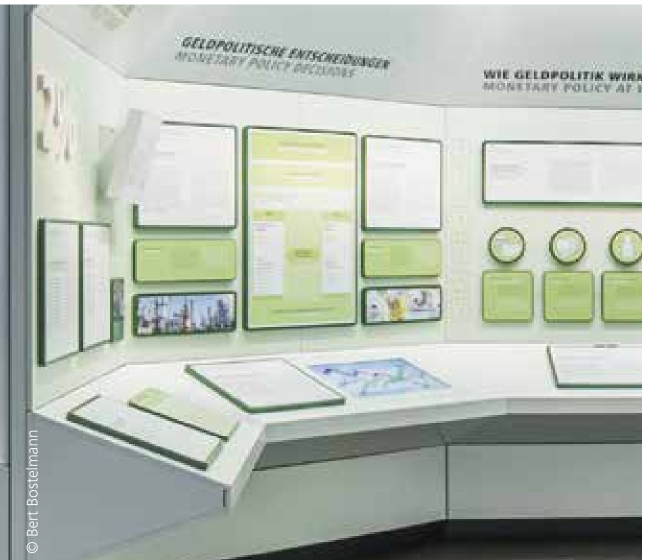
4 If prices rise across the board, money loses its value. This means that you can buy less for your money than before; purchasing power is said to fall.

If the rate of inflation is 4%, to which value will the purchasing power of €100 fall after ten years?



5 The European Central Bank (ECB) deems prices to be stable if they rise each year by less than, but close to, 2% over the medium term.

Why does the ECB not use 0% as its benchmark?



6 The Governing Council of the ECB bases its monetary policy on a “two-pillar strategy”.

What are these pillars and which factors does it analyse?

Money Museum
of the Deutsche Bundesbank

Money Museum discovery tour
Price stability – present