

INFLATION INFLUENCE ABOUT INVESTMENT DECISION

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ABSTRACT: In this article, we are dealing with an issue very important as regards the investment decision, namely the influence that it has on inflation. Thus, in a brief introduction spotlighted how we have perceived inflation today, what it means and how it manifests itself. An ample space in the paper is dedicated manner of determining the net present value in the presence of inflation, with an emphasis on the link between the real interest rate, the nominal interest rate and the inflation rate. To be convincing in our approach we introduced in the last part of the paper a case study in which we showed how affects inflation on investment decisions, in practical way.

Keywords: investment, decision, inflation, cash flow

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