

Answer on Question #38421 – Economics – Macroeconomics

This relationship between the over-supply of banknotes and a resulting depreciation in their value was noted by earlier classical economists such as David Hume and David Ricardo, who would go on examining and debating on what effect a currency devaluation (later termed monetary inflation) has on the price of goods (later termed price inflation, and eventually just inflation), also they were first to differentiate the types of inflation, such as galloping and hyperinflation.