

ABSTRACT

The Effects of Interest Rates, Money Supply, And Exchange Rate On Inflation

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Inflation heavily burdens the society, especially in developing countries. People in developing countries are more vulnerable to inflation as they often experience price increases. In Indonesia, inflation has been a recurring issue over the past few decades. The Indonesian government has made several efforts to control inflation, such as regulating monetary policies regarding interest rate determination, monitoring the money supply, and maintaining exchange rate stability. This study aims to identify the influence of Interest Rate, Money Supply, and Exchange Rate on inflation. The research utilizes a descriptive analysis approach and employs secondary data in a time series format from the period of 2013 to 2022. Multiple linear regression analysis is employed using the statistical tool SPSS 26. The results of this testing indicate that Interest Rate has a positive and significant effect on inflation. Money Supply has a positive and significant effect on inflation. Exchange Rate has a negative and significant effect on inflation.

Keywords: Inflation, Interest Rate, Money Supply, Exchange Rate.