

**TIME SERIES ANALYSIS OF INFLATION RATE IN NIGERIA**

**BY**

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## ABSTRACT

This project examines the inflation rate of the Federal Republic of Nigeria over the period of 30years (1981-2010). It forecasts the future values of inflation rate for a period of 15years (2011-2025).It deals extensively on inflation, causes and measurement of inflation rate to take in dealing with inflation rate in Nigeria. Time Series is the statistical analytical tool employed. Time Series was approached from deterministic methods using least square, moving average and plotting the graph of the actual data collected from National Bureau of Statistics (N.B.S)

We observed that the effect of inflation was felt in the year 1985, has it lowest in year 1986 and 2007. Also there was a stability in the 2008, 2009 and 2010. There was also a constant decline in the rate of inflation up to the forecasted years. From the forecasts, the effectiveness of inflation rate in the year 2011 to the year 2025, there were reductions in the inflation rate. The value for the year 2011 is (13.6216) and dropped to (6.8368) in the year 2025.