

**MEASURING INFLATION IN INDIA: ALTERNATIVE
INDICATORS AND THEIR INTERRELATIONSHIP**

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Abstract

This study addresses some statistical issues pertaining to the six alternative indicators of inflation, their interrelationship and applied issues about wholesale price index on quarterly frequency. Based on various empirical exercises pertaining to the relationship of inflation with money supply and output growth, study finds that behavior of wholesale price index can be explained by manufacturing output and M1 and it's also compatible with Indian economy.