



## *Currencies, Commodities and Consumption*

Currency values, prices, consumption and incomes are at the heart of the economic performance of all countries. In order to make a meaningful comparison between one economy and another, economists routinely make use of purchasing power parity (PPP) exchange rates, but while PPP rates are widely used and well understood, they take a lot of effort to produce and suffer from publication delays. *Currencies, Commodities and Consumption* analyses the strengths and weaknesses of two alternatives to PPP. First, the so-called Big Mac Index, which uses hamburger prices as a standard of measurement, and second, a less well-known technique which infers incomes across countries based on the proportion of consumption devoted to food. Kenneth W. Clements uses international macroeconomics, microeconomic theory and econometrics to provide researchers and policy makers with insights into alternatives to PPP rates and make sense of the ongoing instability of exchange rates and commodity prices.

KENNETH W. CLEMENTS has been at The University of Western Australia since 1981 as Winthrop Professor of Economics and since 2008 BHP Billiton Research Fellow at the UWA Business School. In 2009, his book (coauthored with X. Zhao) *Economics and Marijuana* was published by Cambridge University Press. He is a Fellow of the Academy of Social Sciences in Australia and in 2009 received from the Australian Learning and Teaching Council a Citation for Outstanding Contributions to Student Learning.

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KENNETH W. CLEMENTS

*Business School, The University of Western Australia*



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## *About the author and contributors*

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Kenneth W. Clements has been at The University of Western Australia since 1981 as Winthrop Professor of Economics and since 2008 as BHP Billiton Research Fellow at the UWA Business School. His research has been supported by a series of grants from the Australian Research Council, and he has published recently in journals such as the *American Journal of Agricultural Economics*, *Journal of Business*, *Journal of International Money and Finance* and *International Statistical Review*. In 2009, his book (coauthored with X. Zhao), *Economics and Marijuana*, was published by Cambridge University Press. He is a Fellow of the Academy of Social Sciences in Australia and in 2009 received from the Australian Learning and Teaching Council a Citation for Outstanding Contributions to Student Learning.

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