UNIVERSITY OF NAIROBI

SCHOOL OF ECONOMICS

XEA 402: RESEARCH METHODS

TOPIC:
INFLATION AND GROWTH IN KENYA

Presented to Mr. Japheth Awiti as partial fulfillment for the Award of Degree of Bachelor of Economics and Bachelor of Economics and Statistics.

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ABSTRACT

The central focus of this study was to establish the impact of Kenya's inflation rate on economic performance, specifically economic growth. The model adopted was the normal Linear regression model that for robustness sake was corrected for heteroskedasticity. Statistical tests of significance were duly performed and appropriate conclusions drawn. Prior to the application of the model, testing for stationarity, cointegration, normality and diagnostic tests were carried out and the results and findings of the study are presented in this paper.