# Using an Expanded Marxian Simulation Macro Model to Examine Inflation

Victor Kasper, Jr.
Department of Economics and Finance
Buffalo State College
1300 Elmwood Ave
Buffalo, NY 14222
kasperv@buffalostate.edu
(716) 878 5132 office

## ABSTRACT

This paper will discuss improvements made to a web based simulation macro model based on an interpretation of Marx's labor value. The presentation will be accompanied by a computer demonstration of the model. The model's improvement allows the examination of how the Marxian concept of the value of Aggregate Product of Society is affected by the key determinants of labor value. The model provides an estimate of labor value per use value produced. It is argued labor value per use value can be used to develop a Marxian based measure of inflation. The underlying theory of the model was published in volume 20 of Research in Political Economy. The original model had twelve input parameters. The improved model has twenty input parameters. Ten of the input parameters are growth factors used for projecting the estimate of value of Aggregate product of society over time. Two of these growth factors it is argued important to the development of a Marxian based model of inflation.