1035-91-416 **Barbara A Bennie***, University of Wisconsin - La Crosse, Mathematics Department, 1725 State St, La Crosse, WI 54601, and **Jarod V Hart**. *Inflationary Trends with Bayesian Learning.*

We consider a game-theoretic economic model in which agents compete via bidding to purchase goods in a series of discrete time periods. We explore expected inflation rates when individuals bid according to Nash equilibrium strategies. We find that when the amounts of good available for consumption in each time period are iid random variables and agents have limited knowledge about their distribution, inflation rates do not follow the classical Fisher equation. However, as time progresses agents gradually acquire more information about the production distribution and expected inflation rates converge to the rate prescribed by Fisher. (Received September 06, 2007)