



# ECONOMICS

## BOOKS - GOYAL BROTHERS

### PRAKASHAN ECONOMICS (HINGLISH)

#### INDEX NUMBERS

#### Example

1. Suppose we have to prepare a price index number constituting three goods A, B and C.

For the year 2008 and 2009. We are given the following information:

Prices (in ₹) for the years 2008 and 2009

Commodities	Prices (₹)		Weights (Percentage)	
	2016	2017	2016	2017
A	5	4	50	40
B	3	6	30	50
C	2	3	20	10
			100	100



[View Text Solution](#)

## Exercises Multiple Choice Questions

1. An index number does the following to the variables :

A. Measures changes

B. Averages out changes

C. Uses 'base' to measure changes

D. All the above

**Answer: D**



**View Text Solution**

2. An index number is useful for

A. For making government policies

B. For future plans by the businessmen

C. For measuring success of planning

D. All the above

**Answer: D**



**View Text Solution**

**3. Base year in an index number should be an**

**year in which these are :**

**A. No cyclical fluctuations**

B. Minimum cyclical fluctuations

C. Average cyclical fluctuations

D. Maximum cyclical fluctuations

**Answer: B**



**View Text Solution**

## Exercises Short Answer Questions I

1. Name the categories in which index numbers are classified in economics.



[View Text Solution](#)

2. Distinguish between simple and weighted price indexes.



[View Text Solution](#)

3. State any three uses of Wholesale Price Index in India.



[View Text Solution](#)

## Exercises Short Answer Questions li

1. Explain 'price relative' in a price index number.



[View Text Solution](#)

2. Explain any two uses of Wholesale Price Index.



[View Text Solution](#)

3. State the major commodity groups in the Consumer Price Index for Industrial Workers in India.



[View Text Solution](#)

## Exercises Long Answer Questions

1. Explain the significance of index numbers.



[View Text Solution](#)



2. Explain the uses of CPI.



**View Text Solution**