Class-XI

Subject-Economics

Assigment-1

Topic-Index Numbers

1. Explain the meaning of index numbers?
2. Why do we need an index numbers?
3. What is the difference between a price index and a quantity index?
4. State the significance of index of industrial production.
5. What are the considerations underlying the selection of the base period in the construction of an index number?
6. What do you mean by “consumer price index number”? what steps are involved in the construction?
7. Give three advantages of whole sale price index?
8. What are the issues in the construction of an index number?

**NUMERICAL QUESTIONS**-

1. Compute index number for 1993 taking 1980 as the base year:

Commodities A B C D E

Prices in 1980 80 60 50 40 20

Prices in 1993 100 80 70 50 10 (3)

1. Construct consumer price index: (3)

COMMODITIES BASE YEAR CURRENTYEAR

PRICE QUANTITY PRICE QUANTITY

A 10 30 12 50

B 8 15 10 25

C 6 20 6 30

D 4 20 6 20

1. Construct cost of living index: (3)

Price relative weights

Food 250 45

Rent 150 15

Clothing 320 20

Fuel and lighting 190 5

Miscellaneous 300 15

1. Construct index numbers of price from the data applying (3)
2. Paasche’s method b) Laspeyre’s method

commodities 2001 2002

Price quantity price quantity

A 2 8 4 6

B 5 10 6 5

C 4 14 5 10

D 2 19 2 13

1. From the given data given below calculate the index number by finished by fisher’s ideal method: (4)

Commodities price in quantity in price in quantity in

Base yr. base yr. Current yr. Current yr.

A 1 2 7 11

B 2 4 8 12

C 3 5 9 13

D 4 6 10 15

1. Construct index of industrial production on the basis of the following information: (3)

Goods base year current year weight

(q0) (q1)

1. Mining 50 million tonnes 60 10
2. Manufactured Goods 120 million tonnes 200 80
3. Electricity 200 sand units 300 10
4. Construct the index numbers for 1999 and 2000 using 1998 as the base year and q0 as weights (3)

Commodity A B C

Price in 1998 5 3 2

Price in 1999 4 6 3

Price in 2000 5 5 4

(q0) 50 30 20

1. calculate cost of living index number from the following data by using appropriate formula: (3)

**Price**

item base year current yr. weights

food 30 47 4

fuel 8 12 1

clothing 14 18 3

house rent 22 15 2

miscell 25 30 1