Questions -

A series of numerical figures which show the relative position is called

a) index number b) relative number c) absolute number d) none

Questions -

An index number is best described as:

(a) An absolute number

(b) A ratio of quantities

(c) A ratio or average of ratios expressed as a percentage

(d) A weighted total

Questions -

The index number for the base year is always taken as:

(a) 1

(b) 50

(c) 100

(d) 1000

Questions -

Which of the following is NOT a use of index numbers?

(a) Measuring price changes

(b) Studying trends

(c) Exact measurement of individual prices

(d) Deflating monetary values

Questions -

Index numbers are often constructed from:

(a) Population

(b) Census data

(c) Samples ⟹ Random sampling.

(d) Secondary data only

Questions -

Which average is theoretically best for constructing index numbers?

(a) Arithmetic Mean

(b) Geometric Mean

(c) Harmonic Mean

(d) Median

If makes time reversal possible

Questions -

Index number for the base period is always taken as

a) 200 b) 50 c) 1 d) 100

Questions -

_____ play a very important part in the construction of index numbers.

a) weights b) classes c) estimations d) none

Questions -

Price relative is equal to

a) $\frac{\text{Price in the given year} \times 100}{\text{Price in the base year}}$

b) $\frac{\text{Price in the year base year} \times 100}{\text{Price in the given year}}$

c) Price in the given year × 100

d) Price in the base year × 100

$$\frac{P_1}{P_0} \times 100$$

Questions -

Simple aggregative index suffers from which defect?

(a) Time bias

(b) Unit bias → does not satisfy unit test

(c) Sampling bias

(d) Seasonal bias

$$P_{01} = \frac{\Sigma p_1}{\Sigma p_0} \times 100$$

Questions -

Laspeyres Price Index uses which weights?

(a) Current year prices

(b) Current year quantities

(c) Base year quantities

(d) Average quantities

Questions -

Paasche Price Index uses:

(a) Base year quantities

(b) Current year quantities

(c) Base year prices

(d) Average prices

Questions -

Fisher's Ideal Index is:

(a) Arithmetic mean of Laspeyres & Paasche

(b) Geometric mean of Laspeyres & Paasche

(c) Harmonic mean of Laspeyres & Paasche

(d) Median of indices

$$f = \sqrt{L \times P}$$

Questions -

Weighted G.M. of relative formula satisfy _____test

a) Time Reversal Test

b) Circular test

c) Factor Reversal Test

d) none

Unit Test

All except simple aggregate.

Time Reversal

Simple Relatives, Fisher, Weighted Relatives GM, Walsch, Marshall

factor Reversal

Fisher

Questions -

Laspeyre's formula does not satisfy

a) Factor Reversal Test
b) Time Reversal Test
c) Circular Test
d) all the above

Questions -

Circular Test is satisfied by:

(a) Fisher Index

(b) Laspeyres Index

(c) Paasche Index

(d) Simple GM of price relatives & weighted aggregate with fixed weight

Questions -

Circular Test deals with:

(a) Unit change

(b) Base shifting

(c) Quantity change

(d) Sampling error

Time Reversal

$P_{01} \times P_{10} = 1$

Circular

$P_{01} \times P_{12} \times P_{23} \times P_{30} = 1$

Questions - Time Reversal Test states:

(a) $P_{01} + P_{10} = 1$

(b) $P_{01} \times P_{10} = 1$

(c) $P_{01} - P_{10} = 0$

(d) None

Questions - **Factor Reversal Test states:**

(a) $P_{01} = Q_{01}$

(b) $P_{01} \times Q_{01} = V_{01}$

(c) $P_{01} + Q_{01} = V_{01}$

(d) None

$P_{01} \times Q_{01} = V_{01}$

$= \frac{\Sigma P_1 q_1}{\Sigma P_0 q_0}$

Questions -

Chain Index is formed using:

(a) Fixed base

(b) Link relatives

(c) Weighted averages

(d) Value relatives

Link Relative	Chain Index
–	100
110	100 × 110% = 110
140	110 × 140% = 154
150	154 × 150% = 231

$$\text{Chain index} = \frac{\text{chain index of previous year} \times \text{Link Relative of current year}}{100}$$

Questions -

Chain index is equal to

(a) $\frac{\text{link relative of current year} \times \text{chain index of the current year}}{100}$

(b) $\frac{\text{link relative of previous year} \times \text{chain index of the current year}}{100}$

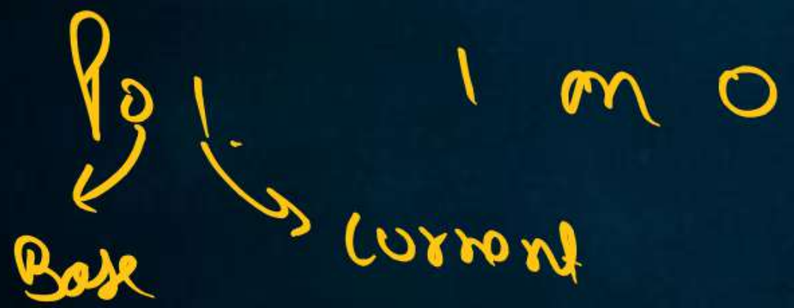
(c) $\frac{\text{link relative of current year} \times \text{chain index of the previous year}}{100}$

(d) $\frac{\text{link relative of previous year} \times \text{chain index of the previous year}}{100}$

Questions -

P_{01} is the index for time

(a) 1 on 0 (b) 0 on 1 (c) 1 on 1 (d) 0 on 0



Questions -

P_{10} is the index for time

(a) 1 on 0 (b) 0 on 1 (c) 1 on 1 (d) 0 on 0

Questions -

Fisher's Ideal Formula dose not satisfy _____ test

(a) Unit Test (b) Circular Test (c) Time Reversal Test (d) none

Questions -

_____ satisfies circular test

a) G.M. of price relatives or the weighted aggregate with fixed weights

b) A.M. of price relatives or the weighted aggregate with fixed weights

c) H.M. of price relatives or the weighted aggregate with fixed weights

d) none

Questions -

The formula for conversion to current value

(a) Deflated value = $\frac{\text{Price Index of the current year}}{\text{previous value}}$

(b) Deflated value = $\frac{\text{current value}}{\text{Price Index of the current year}}$

(c) Deflated value = $\frac{\text{Price Index of the previous year}}{\text{previous value}}$

(d) Deflated value = $\frac{\text{Price Index of the previous year}}{\text{previous value}}$

Salary	Index	Real Salary
1000	100	$\frac{1000}{100\%}$
2000	150	$\frac{2000}{150\%}$
3500	240	$\frac{3500}{240\%}$

Questions -

$$\text{Shifted price Index} = \frac{\text{Original Price} \times 100}{\text{Price Index of the year on which it has to be shifted}}$$

(a) True (b) false (c) both (d) none

Year	Index	New index
2010 ← Old Base	140	$\frac{100}{140} \times 140 =$
2011	120	$\frac{100}{140} \times 120 =$
2012 ← New Base	140 →	100
2013	180	$\frac{100}{140} \times 180 =$

Questions -

If the prices of all commodities in a place have increased 1.25 times in comparison to the base period, the index number of prices of that place now is

(a) 125 (b) 150 (c) 225 (d) None of these.

X

Base Price = 100

increase = $100 \times 1.25 = 125$

225

Questions -

If the index number of prices at a place in 1994 is 250 with 1984 as base year, then the prices have increased on average by

(a) 250% (b) 150% (c) 350% (d) None of these.

	index
1984	100
1994	250

Increase = 150

Questions -

If the prices of all commodities in a place have decreased 35% over the base period prices, then the index number of prices of that place is now

(a) 35 (b) 135 (c) 65 (d) None of these.

Price = 100

(–) Dec = -35

65

Questions -

Test whether the index number due to Walsh given by :

$$I = \frac{\sum P_1\sqrt{Q_0Q_1}}{\sum P_0\sqrt{Q_0Q_1}} \times 100$$ Satisfies is :-

(a) Time reversal Test.

(b) Factor reversal Test.

(c) Circular Test.

(d) None of these.

Questions -

When the cost of Tobacco was increased by 50%, a certain hardened smoker, who maintained his formal scale of consumption, said that the rise had increased his cost of living by 5%. Before the change in price, the percentage of his cost of living was due to buying Tobacco is

(a) 15% (b) 8% (c) 10% (d) None of these.

Tobacco × 50% = 5

Tobacco = $\frac{5}{50\%}$

= 10

Questions -

During the certain period the C.L.I. goes up from 110 to 200 and the Salary of a worker is also raised from 330 to 500, then the real terms is

(a) Loss by ₹ 50 (b) Loss by 75 (c) Loss by ₹ 90 (d) None of these.

CLI	Salary	Real Salary
110	330	$\frac{330}{110\%} = 300$
200	500	$\frac{500}{200\%} = 250$

Questions -

Two indices that is current on base and base on current should be reciprocals of each other in

(A) Unit test

(B) Time reversal test

(C) Circular test

(D) Average weighted test

$$P_{01} \times P_{10} = 1$$

$$P_{01} = \frac{1}{P_{10}}$$

Questions -

Which sampling technique can be used for the construction of Index numbers ?

(A) Systematic sampling

(B) Quota sampling

(C) Cluster sampling

(D) Random sampling

From the year 2015 to 2025, Consumer price index increased from 125 to 196. During this period, salary of the employees as per 7th pay commission recommendations was revised from ₹ 25,000 to ₹ 37,250. In real terms, an employee should get following amount as an additional amount to maintain his previous standard of living :

(A) ₹ 1,965

(B) ₹ 1,950

(C) ₹ 1,945

(D) ₹ 14,200

	Index	Salary
2015	125	25000
2025	196	37250 = x

$$\frac{196}{125} = \frac{x}{25000}$$

$$39200 = x$$

Additional amount $= 39200 - 37250$

$= 1950$

Questions -

If the consumer price index number is 750, then the purchasing power of one rupee is _____.

(A) 12.5 paise

(B) 15 paise

(C) 13.3 paise

(D) 16.5 paise

Purchasing power of money

$$= \frac{1}{\text{Index}}$$

$$= \frac{1}{750\%}$$

$$= ₹\ 0.1333$$