

Worksheet: Index Numbers

ISC · Class 11 · Economics · 3 questions · 13 marks

Name: _____

Date: _____

Score: _____ / 13

Q1. Calculate the Simple Aggregative Price Index for the following data (Base year 2020, Current year 2024):

Item A: $P_{2020} = 10$, $P_{2024} = 12$. Item B: $P_{2020} = 20$, $P_{2024} = 25$. Item C: $P_{2020} = 30$, $P_{2024} = 36$. [3 marks]

Q2. Calculate Laspeyres and Paasche Price Indexes from the following data: Item A: $P_{2020} = 5$, $P_{2024} = 6$, $Q_{2020} = 100$, $Q_{2024} = 90$.

Item B: $P_{2020} = 10$, $P_{2024} = 12$, $Q_{2020} = 50$, $Q_{2024} = 60$. [4 marks]

Q3. Using the data: Item A: $P_{2020} = 4$, $P_{2024} = 5$, $Q_{2020} = 60$, $Q_{2024} = 50$. Item B: $P_{2020} = 8$, $P_{2024} = 10$, $Q_{2020} = 40$, $Q_{2024} = 45$. Item C: $P_{2020} = 12$, $P_{2024} = 15$, $Q_{2020} = 30$, $Q_{2024} = 25$. Calculate (a) Laspeyres Index, (b) Paasche Index, (c) Fisher's Ideal Index. State why Fisher's Index is called 'Ideal'. [6 marks]
