

Seminar 26

1. The CPI, which is based in 1990, in 1995 and 1998 are 142 and 180 respectively. If the salary of Mr.X are \$5000, \$8000 and 9500 in 1990, 1995 and 1998 respectively.
 - i. What are the real salaries of Mr. X in 1995 and 1998?
 - ii. What are the real increases, with the base in 1990, in Mr. X' s salary in 1995 and 1998?
2. Describe the criteria to determine base year.

3. Given the selling price and the quantity consumed of three products A, B, C in 3 different years as follows:

	1992		1993		1994	
Product	Price	Quantity	Price	Quantity	Price	Quantity
A	12	100	14	110	17	115
B	200	25	189	30	195	35
C	51	180	55	170	56	150

Use 1993 as the base year

- i. find the simple price index for product A in 1992-1994
 - ii. find the simple aggregate price index in 1992-1994
 - iii. find the weighted aggregate index in 1992-1994
4. Given the time series as follows:

Period	1	2	3	4	5	6	7	8	9	10
Price	12	23	32	35	46	59	56	35	46	35

Find the Chain Base Index for the above time series.

5. What is the circumstance of using chain base index?