

[Glossary]

Index Numbers (Part - 1)

Subject:

Business Economics

Undergraduate

Course:

Paper No. & Title:

Unit No. & Title:

Lecture No. & Title:

Paper – 102 Statistics for Business

B. A. (Hons.), 1st Semester,

Economics

Unit – 4 Index Numbers

Lecture – 1 Index Numbers (Part – 1)

Glossary

Arithmetic Mean: The ratio of the sum of the measurements on the items in a series to the total number of items in the series.

Base Year: The reference year respective to which the changes during the given period are measured.

Chain Base Index: The measure of the relative changes in the level of a phenomenon for any given period compared with that of the immediately preceding period and the process being continued till the comparison is made with the required base period.

Fixed Base Index: The measure which reflects the relative changes in the level of a certain phenomenon in any given period, called the current period with respect to its value in some fixed period, called the base period.

Geometric Mean: The nth root of the product of measurements on n items of a series.

Link Relative: Price of a year as a percentage of its price in the preceding year.

Price Index: The price index is a measure of the relative changes in the prices.

Quantity Index: Quantity index studies the relative changes in the volume of goods produced, distributed and consumed.

Value Index: Value index measures the change in the total value of production, such as indices of inventories, sales and profits.

Weights: The amounts attached to the items of a series, which depicts their importance relative to other members of the set.