



## **[Glossary]**

### **Index Numbers (Part – 2)**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B. A. (Hons.), 1st Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 102 Statistics for Business Economics
<b>Unit No. &amp; Title:</b>	Unit – 4 Index Numbers
<b>Lecture No. &amp; Title:</b>	Lecture – 2 Index Numbers (Part – 2)

## **Glossary**

**Base Shifting:** It means changing the given base period of a series of index numbers and recasting them into a new series based on some new base period.

**BSE Index:** Bombay Stock Exchange Index is the weighted stock market index computed on the basis of free float capitalization method.

**Consumer Price Index:** Consumer price index number is a measure of change in the price level of a basket of goods and services purchased by households during any given period with respect to some fixed base period. It is based on retail prices and thus is also termed as Retail Price Index Number or Cost of Living Index Number.

**Deflating:** Deflating is the process of eliminating the price effect from a given set of monetary values.

**Free Float:** Free float means the proportion of total issued shares of the company that are traded in the stock market.

**Market Capitalization:** Market capitalization of a company is determined by multiplying the price of one share by the number of outstanding shares of the company.

**Outstanding Shares:** Outstanding shares are a company's stock currently held by all its shareholders, including share blocks held

by institutional investors and restricted shares owned by the company's officers and insiders.

**Purchasing Power of Money:** The value of a currency expressed in terms of the amount of goods and services that one unit of money can buy.

**Real Income:** The income of an individual or group after taking into consideration the effects of inflation on purchasing power.

**Splicing:** Splicing is an application of the principle of base shifting, by which two or more overlapping series of index numbers are combined to obtain a single continuous series.