Glossary

1. **Arithmetic Mean**
   The arithmetic mean, or simply the mean or average when the context is clear, is the central tendency of a collection of numbers taken as the sum of the numbers divided by the size of the collection.

2. **Average**
   An average is a measure of the "middle" or "typical" value of a data set.

3. **Commodities**
   Commodity is the generic term for any marketable item produced to satisfy wants or needs. Economic commodities comprise goods and services.

4. **Dearness Allowance**
   Dearness allowance (D.A.) is part of a person's salary. D.A. is calculated as a percent of the basic salary.

5. **Deflation**
   Deflation is a general decline in prices, often caused by a reduction in the supply of money or credit.

6. **Index Number**
   An index number is an economic data figure reflecting price or quantity compared with a standard or base value.

7. **Indices**
   Indices are a plural to index.

8. **Inflation**
   Inflation is an average index used to measure the rise in the general level of prices of goods and services in an economy over a period of time.

9. **Measures of Central Tendency**
   A measure of central tendency is any of a number of ways of specifying this "central value".

10. **Price Index**
    Price index measure the relative changes in prices of a commodities between two periods. Prices can be either retail or wholesale.

11. **Quotient**
    Quotient is the result of the division of one number or quantity by another.

12. **Simple Aggregative Method**
    This is the simplest method of constructing index numbers. When this method is used to construct a price index, the total of current year prices for the various commodities in question is divided by the total of base year prices and the quotient is multiplied by 100.

13. **Summation**
    Summation is the operation of adding a sequence of numbers; the result is their sum or total.

14. **Weighted Aggregative Method**
    These indices are of the simple aggregative type with the fundamental difference that weights are assigned to the various items included in various methods of assigning weights and consequently a large number of formulae for constructing index numbers.

15. **Weighted Index Number**
    When all commodities are not of equal importance, we assign weight to each commodity relative to its importance and index number computed from these weights is called weighted index numbers.