

Glossary

1. Arithmetic Mean

The average of a set of numerical values, calculated by adding them together and dividing by the number of terms in the set.

2. Backward Splicing

In this method, the new series is pushed backward by dividing the various index numbers of the old series by the index number of the year in which change takes place and the result so obtained is multiplied by 100. This splicing procedure is known as backward splicing.

3. Base Shifting

Base shifting refers to the preparing of a new or more recent base period than the original one. Change of base year or reference period is known as shifting the base.

4. Chain Index

Chain index is the figure for each year first expressed as a percentage of the preceding year. These percentages are then chained together by successive multiplication to form a chain index.

5. Commodity

An article of trade or commerce, especially an agricultural or mining product that can be processed and resold.

6. Deflating

Deflating means adjusting, correcting or reducing a value, which is inflated. It is a technique of converting a series of value calculated at current prices into constant prices of a given year. This is a process of removing the effect of price changes from the current money values.

7. Forward Splicing

In this method, the old series, say A is brought forward to splice it with new series, say B by multiplying the various index numbers of the old series by the index number of the last year in the old series and divide the result so obtained by 100. This splicing is called forward splicing.

8. Geometric Mean

It is the n th root, usually the positive n th root, of a product of n factors.

9. Index number

A number indicating change in magnitude, as of price, wage, employment, or production shifts, relative to the magnitude at a specified point usually taken as 100.

10. Laborious

Marked by or requiring long, hard work.

11. Link Relatives

A series of index numbers are computed for each year using the preceding year as the base year. This index number calculated after taking the preceding year as base year is called the link relatives.

12. Splicing

Splicing of index numbers means combining two or more series of overlapping index numbers to obtain a single index number on a common base.

13. Successive

Following in uninterrupted order.

14. Summation

It is the act or process of determining a sum.

15. Wages

Payment for labor or services to a worker, especially remuneration on an hourly, daily, or weekly basis or by the piece.