

Business Statistics (E.M) - ICom Part 2 Business Statistics Chapter 4 Short Questions Test

Q1. Write two limitations of index numebers.

Ans 1: 1- They are not suitable for all purpose.

Ans 2: 2- They produce different results in different methods of construction.

Q2. Write the types of index numebr according to base.

Ans 1: 1- Fixed base index number

Ans 2: 2- Chain base index number

Q3. What is an Ideal index number.

Ans 1: An index numebr presented by the Statisticians Fisher's is called ideal index number.

Q4. What is wholesale price index.

Ans 1: An Index number which indicates the price quolations of wholesale market is called wholesale price index.

Q5. Waht do you mean by the term 'basket of gooda' in index number.

Ans 1: In the language of statistics a collection of different goods which purchased by the consumer are called basket of goods. For example items, clothing, housing, education are collectively called basket.

Q6. What is pirce relative.

Ans 1: The percentage ratio of the price in current year and the price in base year is called price relative.

Q7. What is quantity index number.

Ans 1: An index numebr which measures the changes in the quantity of volume of goods produced or consumed is called quantity index number.

Q8. What is weighted index number.

Ans 1: An index number which measures the changes in the process or group of commodities with respect to relative importance of commodities is called weighted index number.

Q9. Write two advantages of index numbers.

Ans 1: 1- It helps in forecasting business activities.

Ans 2: 2- It helps in consumer budgeting.

Q10. Write any three uses of index numbers.

Ans 1: 1- Index number is used to measure the purchasing power of money

Ans 2: 2- Index number is used to forecast business activities.

Ans 3: 3- Index number is used to make policies for the future.
