

Statistics - ICS Part 1 Statistics Chapter 5 Short Questions Preparation

Q1. Name the sources of index number.

Ans 1: Publications of Federal Bureau of statistic. Provincial Bureaus of statistics and state Bank of Pakistan provide a wealth of data. Almost all government departments distribute data about their activities from which index numbers can be computed.

Ans 2: Many financial and business newspapers and magazines provide information from which index numbers can be computed.

Q2. Distinguish between an unweighted index number and a weighted index number.

Ans 1: An unweighted index is that in which all values considered in calculating the index are of equal importance.

Ans 2: A weight index is that in which we attach greater importance to changes in some variable than to others.

Ans 3: In an unweighted index, we do not consider the quantities, whereas, in a weighted index, the quantities are considered.

Q3. Define retail price index.

Ans 1: Retail Price index measures the change in the cost of a fixed basket of retail goods.

Q4. Describe the chain base method.

Ans 1: In chain base method the price of preceding year is taken as base.

Q5. Differentiate between price relative and link relative.

Ans 1: In calculating Price relative, the current year price is divided by the base year price. In calculating link relatives, the current year price is divided by the price of preceding year.

Q6. Define an index number.

Ans 1: An index number is a statistical measure which shows changes in a variable or a group of related variables with respect to time, geographic location or other characteristics such as income, profession, etc.

Q7. What is consumer price index number?

Ans 1: Consumer Price index is designed to measure change in the cost of living.

Q8. What are the limitation of index number?

Ans 1: Some limitation of index are given below:

1. All index numbers are not suitable for all purpose.
2. There may be error in choice of base period
3. If it not possible take into account all change in product.

Q9. What are quantity index number?

Ans 1: A quantity or volume index number is that which is used to measure the relative change in quantities of items.

Q10. What is weigfhted index numbers.

Ans 1: Weighted index numbers can be classified into two categories

Ans 2: a- Weighted agggreate method

Ans 3: b- Weighted average of relatives
