

Learning objectives

After studying this chapter and doing the exercises, you should be able to:

- 1 Calculate price relatives.
- 2 Calculate Laspeyres and Paasche weighted aggregate price index numbers.
- 3 Give an outline account of some important index numbers such as consumer price indices, producer price indices and share price indices.
- 4 Use a price index number to deflate a time series to constant prices.
- 5 Give an outline account of some of the issues involved in constructing a price index number.
- 6 Calculate Laspeyres and Paasche weighted aggregate quantity index numbers.