VISHESH ACADEMY OF COMMERCE

DSS-33, OLD COURT COMPLEX NEAR FAWARA CHOWK HISAR

CA FOUNDATION

TEST – INDEX NUMBERS

TIME: 1 Hrs. **Marks: 30**

Q1. Consumer Price index number for the year 1957 was 313 with 1940 as the base year. The Average Monthly wages in 1957 of the workers into factory be Rs. 160/- their real wages is:

(a) Rs. 48.40 (b) Rs. 51.12

(c) Rs. 40.30 (d) None of these

Q2. The suitable index numbers for the comparison of every year is _____

(a) Fixed base indexnumber (b) Fisher's ideal indexnumber

(c) Chain base index number (d) Both (a) or (c)

Q3. Factor reversal test is

(a) $\frac{\sum p_1 q_1}{\sum p_0 q_0}$ (b) $\frac{\sum p_1 q_1}{\sum p_0 q_0} \times \frac{\sum p_1 q_1}{\sum p_0 q_1}$

(c) $\frac{\sum p_1 q_1}{\sum p_0 q_1}$ (d) $\frac{\sum q_1 p_0}{\sum q_0 p_0} \times \frac{\sum q_1 p_1}{\sum q_0 p_1}$

Q4. The time reversal test is satisfied by _____ Indexnumber,

(a) Laspeyre's (b) Paasche's

(c) Fisher's (d) None

Q5. _____ play a very important role in the constructionof index number.

(a) Weights (b) Classes

(c) Estimate (d) None

Q6. Monthly salary of an employee was Rs. 10,000 in the year 2000 and it was increased to Rs. 20,000 in the year 2013 while the consumer price index number is 240 in year 2013 with the base year 2000, what should be his salary in comparison of consumer price index in the years 2013?

(a) 2,000 (b) 16,000

(c) 24,000 (d) None

Q7. The index number for the year 2012 taking 2011 as base using simple average of price relatives method from data given below is:

Commodity	A	B	C	D	E
Price in 2011	115	108	95	80	90
Price in 2012	125	117	108	95	95

(a) 112 (b) 117

(c) 120 (d) 111

Q8. .$\sum p_1q_0$=1180, $\sum p_1q_0$ = 1170, $\sum p_1p_1$ = 1064, $\sum p_0q_1$ = 1100, then Fisher ideal index number is

(a) 96.73 (b) 98.795

(c) 98.77 (d) 100.86

Q9. In 2005 price index is 286% with base 1995 then how much price increased in 2005 with base 1995?

(a)286% (b) 386%

(c)86% (d) 186%

Q10. Fisher's index number is ___ of Laspeyre's andPaasche's index numbers

(a) A.M (b) G.M

(c) H.M (d) None

Q11. If the price of ail commodities in a place has increased 20% in Comparison to the base period prices, then the index number of prices for the place is now _____

(a) 100 (b) 120

(c) 20 (d) 150

Q12. The index number of prices at a place in the year 2008 is 225 with 2004 as the base year then there is:

(a) average 125% increase in prices. (b) average 225% increase inprices.

(c)average 100%increase in prices. (d) None of the above

Q13. _____ $P_{01}Q_{01} = \frac{\sum P_1Q_1}{\sum P_0Q_0}$following test satisfiesthe above?

(a) Time Reversal Test (b) Factor Reversal Test

(c) Circular Test (d) None of these

Q14. In the data group Bowley's and Laspeyre's index number is as follows. Bowley's index number =150, Laspeyre's index number = 180 then Paasche's index number is

(a) 120 (b) 30

(c) 165 (d) None of these

Q15. Fisher's ideal index does not satisfy:

(a) Time Reversal Test

(b) Factor ReversalTest

(c) Unit Test

(d) Circular test

Q16. In Passche's index, weights are based on:

(a) Current year quantities

(b) Base year quantities

(d) Weighted averageprices

(d) None of these

Q17. The ratio of price of the single commodity in a given period to its price in another period is called:

(a) Price Ratio

(b) Price Relative

(c) Base Period

(d) None of these

Q18. Chain index is equal to:

(a) $\frac{\text{link relative of current year} \times \text{chain index of the current year}}{100}$

(b) $\frac{\text{link relative of current year} \times \text{chain index of the previous year}}{100}$

(c) $\frac{\text{link relative of previous year} \times \text{chain index of the current year}}{100}$

(d)None of these

Q19. Given the following information:

	2000		2003	
Commodity	Price	Quantity	Price	Quantity
A	2	74	3	82
B	5	125	4	140
C	7	40	6	33

Which of the following is true:

(a) Marshall Edgeworth index for 2003 is 105,13

(b) Fisher's index for 2003 is 90.15.

(c) Marshall Edgeworth Index Number is good approximation to Fisher's Index Number

(d) None of these

Q20. P_{10} is the index for time:

(a) 0 on 1

(b) 1 on 0

(c) 1 on 1

(d) 0 on 0

Q21. From the following data:

Group	A	B	C	D	E	F
Group Index:	120	132	98	115	108	95
Weight:	6	3	4	2	1	4

The general index is given by :

(a) 113.54 (b) 115.30

(c) 117.92 (d) 111.30

Q22. Circular Test is satisfied by :

(a) Paasche's Index Number.

(b) The simple geometric mean of price relatives and the weighted aggregative with fixed weights

(c) Laspeyre's Index Number

(d) None of these

Q23. Bowley's index number is expressed in terms of:

(a) $\frac{\text{Laspeyre's+Paasche's}}{2}$

(b) $\frac{\text{Laspeyre's}\times\text{Paasche's}}{2}$

(c) $\frac{\text{Laspeyre's - Paasche's}}{2}$

(d)None of these

Q24. Time reversal & factor reversal are:

(a) Quantity Index (b) Ideal Index

(c)Price Index (d) Test of Consistency

Q25. Net monthly of an employee was Rs. 3,000. The consumer price index number in 1985 is 250 with rightly compensated then the additional dearness allowance to be paid to the employee is:

(a)Rs. 4,000 (b) Rs. 4,800

(c) Rs. 5,500 (d) Rs. 4,500

ANSWER KEY:

1. B	2. C	3. A	4. C	5. A	6. C	7. D	8. C	9. D	10. B
11. B	12. A	13. B	14. A	15. D	16. A	17. B	18. C	19. A	20. D
21. B	22. B	23. A	24. D	25. D	26.	27.	28.	29.	30.