



ST. LAWRENCE HIGH SCHOOL



A Jesuit Christian minority Institution

Subject: Economics Class- XI

Date:15/08/2020

Answer key of Worksheet-31

Chapter- Some major macroeconomic variables

Topic-Concept of Index number, Final goods, Intermediate goods, Consumer goods and capital goods

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1. Choose the correct alternative.

1x15=15

- a) Price index number shows i) how price of a particular commodity changes over time ii) **how the general price level changes over a period of time** iii) how wholesale price level changes over a period of time iv) none of these
- b) To get the concept on how cost of living of a group of people changes over time \_\_\_\_\_ of that group should be taken into consideration . i) **consumer Price index number** ii) wholesale price index number iii) quantity index numbers iv) none of these

c) If price index number of 2013 with 2000 as base is 208.5 (index for 2000 being 100), it indicates compared to base year, price in the 2013 has increased by

- i) 208.5% ii) 80.5% **iii) 108.5 %** iv) none of these

d) Cost of living index = \_\_\_\_\_ i)  $\frac{\sum_1^n I_i W_i}{W}$  ii)  $\frac{\sum P_i / P_o}{n} \times 100$  **iii)  $\frac{\sum_1^n I_i W_i}{\sum_1^n W_i}$**

where n = no. of group of commodities iv) none of these

- e) In computing CLI \_\_\_\_\_ are considered as weights **i) proportion of income spent on that group** ii) total quantity consumed iii) (i) and (ii) both iv) none of these

f) real wage = \_\_\_\_\_ i)  $\frac{\text{consumer price index}}{\text{nominal wage}} \times 100$  ii)  $\frac{\text{cost of living index}}{\text{nominal wage}} \times 100$  iii)

$\frac{\text{nominal wage}}{\text{consumer price index}} \times 100$  iv) none of these

g) Inflation reflects i) high prices of goods and services ii) continuing rising prices of goods and commodities iii) reduction of purchasing power per unit of money iv) both (ii) and (iii)

h) Goods which have crossed all the boundary of production and no values are left to be added to it is known as i) intermediate goods ii) capital goods iii) final goods iv) none of these

i) Goods which are used in the process of production to produce consumer goods and are fixed assets of the firm, is known as i) capital goods ii) final goods iii) intermediate goods iv) none of these

j) Rate of inflation = \_\_\_\_\_ i)  $\frac{P_0}{P_1 - P_0} \times 100$ , here price index numbers are considered ii)

$\frac{P_1 - P_0}{P_0} \times 100$ , here change in the average price level is considered iii)  $\frac{P_0 - P_1}{P_1} \times 100$  iv) none of these

k) If base year price index is 100 and current year price index is 120. rate of inflation is i) 15% ii) 20% iii) 30% iv) none of these

l) A baking oven used by a baker for his business purpose is i) final good ii) intermediate good iii) capital good iv) none of these

m) A car purchased by a household for meeting their personal needs is a i) consumer good which is a durable good as well ii) capital good iii) consumer good which is a nondurable good as well iv) none of these

n) The goods which get exhausted after one use is known as i) nondurable goods ii) durable goods iii) semi-durable goods iv) none of these

o) When a part of flour produced is used in production of bread then that part of flour is known as i) final good ii) consumer good iii) intermediate good iv) none of these

Aparajita Mondal