



ADVANCED STATISTICS

B.COM. SEMESTER VI

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DEFINATION OF INDEX NUMBER

1. **L. V Lester**, “An index number of prices is a figure showing the height of averages prices at one time relative to their height at some other line which is taken as the base preiod.”
2. **A. L. Bowley**. “A series of Index Number is a series which reflects in its trend and fluctuations the movements of some quantity to which it is related.”
3. **Blair**. “Index numbers are a specialized type of averages.”

CHARACTERISATION OF INDEX NUMBERS

- Index Numbers are a Specialized Types of Average.
- Index Numbers study the effect of such factors which cannot be measured directly.
- Index Numbers are Expressed in Percentages.
- Index Numbers Measure the Relative Changes of Different from Time or From Place.

IMPORTANCE OF INDEX NUMBERS

- Index Numbers Help in Studying Trends
- Index Numbers in Policy Formulation
- Index Numbers Help in Measuring the Purchasing Power of Money
- Index Numbers Help in Deflating Various Values
- Index Numbers Act as Economic Barometers

CLASSIFICATION OF INDEX NUMBERS

1. **Price Index Numbers**
 - a) **Wholesale Price Index Numbers**
 - b) **Retail Price Index Numbers**
2. **Quantity Index Numbers**
3. **Value Index Numbers**