

Name: _____

Price Indexes

The table on the right shows data on the consumer price index for urban consumers (CPI-U) for selected years. Use this information to answer the questions on this quiz.

Year	CPI-U
1973	44.4
1977	60.6
1980	82.4
2000	171.1

a) For each item in the table, fill in the missing price (real price, nominal price, or price in today's dollars). If a box is black, do not fill in a price. (6 points)

Item	Nominal Price	Real Price	Price in Today's Dollars
1973 VW Beetle	\$2,073		
2000 VW New Beetle	\$15,900		
1980 Linear Algebra Textbook	\$18.95		
2000 Linear Algebra Textbook			\$89.95
1977 gallon of regular (89 octane) unleaded gasoline	\$0.549		
2000 gallon of (89 octane) unleaded gasoline			\$1.459

b) For which pairs are the comparison of real prices valid and for which are they not? Explain briefly. Answer on the reverse if you need more space. (6 points)

<p>Pledge:</p> <p>I pledge my honor that during this quiz I neither gave nor received assistance and that I saw no dishonest work.</p> <p>Signed: _____</p> <p>I have not signed the pledge intentionally. <input type="checkbox"/> (Check only if appropriate.)</p>
