

Inflation Short Questions

1998

Define demand pull inflation.

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(16 marks)

2002

Outline **FOUR** steps involved in calculating a Composite Price Index.

Step 1: _____

Step 2: _____

Step 3: _____

Step 4: _____

(16 marks)

2005

For a composite (weighted) price index covering the three types of expenditure given in the following table, calculate the price index for the current year. The base value is 100. **Show your workings.**

Category	% income spent on item(s)	Prices of item(s) base year	Prices of item(s) current year	Calculation of Simple Price Index	Weight	Result
		€	€			
Food	30%	10.00	11.50			
Clothing & Footwear	20%	40.00	36.00			
Other Items	50%	20.00	22.00			
	100%			Price Index for the Current Year	→	

(17 marks)

2007

1. State **FOUR** possible economic effects of rising **price inflation** on the Irish economy.

(i) _____

(ii) _____

(iii) _____

(iv) _____

(16 marks)

2009

Define 'cost-push' inflation. Identify **two** sources of this form of inflation in the Irish economy.

Definition: _____

Source 1: _____

Source 2: _____

(16 marks)

2011 EC

6. For a composite (weighted) price index covering the **three** types of expenditure given in the following table, calculate the price index for the current year.

Category	% income spent on item(s)	Prices of item(s) base year €	Prices of item(s) current year €	Calculation of Simple Price Index	Weight	Result
Food	30%	10.00	11.50			
Clothing & Footwear	20%	40.00	36.00			
Other Items	50%	20.00	22.00			
	100%			Price Index for the Current Year		

(17 marks)

2011 DEB

For a composite (weighed) price index covering the three types of expenditure given in the following table, calculate the price index for the current year. The base value is 100.

Show your workings.

Category	% income spent on item(s)	Prices of item(s) base year	Prices of item(s) current year	Calculation of Simple Price Index	Weight	Result
		€	€			
Food & Drink	25%	20.00	28.00			
Communications	15%	10.00	20.00			
Other Items	60%	70.00	105.00			
	100%			Price Index for the Current Year	→	

(16 marks)

2011

State **four** steps involved in constructing a Consumer Price Index (CPI).

Step 1 _____

Step 2 _____

Step 3 _____

Step 4 _____

(16 marks)