2. Alternative price indexes

Aa Aa

There isn't just one single measure of inflation—the government and researchers use a variety of methods to get the most balanced picture of how prices fluctuate in the economy. Two of the most commonly used price indexes are the consumer price index (CPI) and the GDP deflator. The GDP deflator for this year is calculated by dividing the ________________ using ________________ by the ________________ using ________________ and multiplying by 100.

The GDP deflator reflects only the prices of all goods and services ________________ .

Treewood Equipment manufactures feller bunchers in the United States. Feller bunchers are commercial forestry machines that cut and stack trees. An increase in the price of a Treewood Equipment feller buncher __________ show up in the GDP deflator and __________ show up in the consumer price index for the United States.

Attempts: – –

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