Question 1

Use the Consumer Price Index below to answer the question.

Average Annual Consumer Price Index (1982-1984 = 100)

Year	CPI	Year	CPI
1986	109.6	1998	163.0
1987	113.6	1999	166.6
1988	118.3	2000	172.2
1989	124.0	2001	177.1
1990	130.7	2002	179.9
1991	136.2	2003	184.0
1992	140.3	2004	188.9
1993	144.5	2005	195.3
1994	148.2	2006	201.6
1995	152.4	2007	207.3
1996	156.9	2008	215.3
1997	160.5		

What was the purchasing power of $1 in 1987 in terms of 1998 dollars?

- ☐ $1.38
- ○ $0.70
- ○ $1.57
- ○ $1.43

Question 2

Use the Consumer Price Index below to answer the question.

Average Annual Consumer Price Index (1982-1984 = 100)

Year	CPI	Year	CPI
1986	109.6	1998	163.0
1987	113.6	1999	166.6
1988	118.3	2000	172.2
1989	124.0	2001	177.1
1990	130.7	2002	179.9
1991	136.2	2003	184.0
1992	140.3	2004	188.9
1993	144.5	2005	195.3
1994	148.2	2006	201.6
1995	152.4	2007	207.3
1996	156.9	2008	215.3
1997	160.5		

Find the inflation rate from 1986 to 1987.

- ○ 1.0%
- ○ 4%
- ○ 3.6%
- ○ 3.5%

Question 3

Use the Consumer Price Index below to answer the question.

Average Annual Consumer Price Index (1982-1984 = 100)

Year	CPI	Year	CPI
1986	109.6	1998	163.0
1987	113.6	1999	166.6
1988	118.3	2000	172.2
1989	124.0	2001	177.1
1990	130.7	2002	179.9
1991	136.2	2003	184.0
1992	140.3	2004	188.9
1993	144.5	2005	195.3
1994	148.2	2006	201.6
1995	152.4	2007	207.3
1996	156.9	2008	215.3
1997	160.5		

Suppose you needed $52,000 to maintain a particular standard of living in 2000. How much would you have needed in 1986 to maintain the same standard of living?

- ○ $82,000
- ○ $32,000
- ○ $34,000
- ○ $33,000

Question 4

Average Annual Consumer Price Index (1982-1984 = 100)

Year	CPI	Year	CPI
1986	109.6	1998	163.0
1987	113.6	1999	166.6
1988	118.3	2000	172.2
1989	124.0	2001	177.1
1990	130.7	2002	179.9
1991	136.2	2003	184.0
1992	140.3	2004	188.9
1993	144.5	2005	195.3
1994	148.2	2006	201.6
1995	152.4	2007	207.3
1996	156.9	2008	215.3
1997	160.5		

In 1990, the federal minimum hourly wage was $4.75. Convert this to 2000 dollars.

- $6.26
- $3.61
- $6.44
- $3.73

Question 5

Solve the problem.

Find the gasoline price index for 1995 using the 1955 price as the reference value.
Use the table below.

YEAR	GASOLINE PRICE (cents per gallon)
1955	29.1
1965	31.2
1975	56.7
1985	119.6
1995	120.5
2000	155.0

- 372.7
- 24.1
- 414.1
- 41.4

Question 6

Solve the problem.

Find the gasoline price index for a year in which the cost of gasoline was $0.62 per gallon. Use the 1965 price as the reference value. In 1965, the cost of gasoline was 31.2 cents per gallon.

- 30.8
- 2
- 198.7
- 50.3

Question 7

Average Annual Consumer Price Index (1982-1984 = 100)

Year	CPI	Year	CPI
1986	109.6	1998	163.0
1987	113.6	1999	166.6
1988	118.3	2000	172.2
1989	124.0	2001	177.1
1990	130.7	2002	179.9
1991	136.2	2003	184.0
1992	140.3	2004	188.9
1993	144.5	2005	195.3
1994	148.2	2006	201.6
1995	152.4	2007	207.3
1996	156.9	2008	215.3
1997	160.5		

Suppose you needed $35,000 to maintain a particular standard of living in 1986. How much would you have needed in 2000 to maintain the same standard of living?

- $55,000
- $22,000
- $51,000
- $58,000

Question 8

Solve the problem.

The table below shows a housing index that can be used to compare housing prices in different cities.

CITY	INDEX
Juneau, AK	100
Palo Alto, CA	365
Denver, CO	87
Spokane, WA	78
Boston, MA	182
Manhattan, NY	495

Suppose you see a house valued at $210,000 in Spokane. Find the price of a comparable house in Manhattan.

○ $1,200,000
○ $1,300,000
○ $1,500,000
○ $33,000

Question 9

Use the Consumer Price Index below to answer the question.

Average Annual Consumer Price Index (1982-1984 = 100)

Year	CPI	Year	CPI
1986	109.6	1998	163.0
1987	113.6	1999	166.6
1988	118.3	2000	172.2
1989	124.0	2001	177.1
1990	130.7	2002	179.9
1991	136.2	2003	184.0
1992	140.3	2004	188.9
1993	144.5	2005	195.3
1994	148.2	2006	201.6
1995	152.4	2007	207.3
1996	156.9	2008	215.3
1997	160.5		

What was the purchasing power of $1 in 1987 in terms of 1990 dollars?

○ $1.26
○ $0.87
○ $1.10
○ $1.15

Question 10

Solve the problem.

The table below shows a housing index that can be used to compare housing prices in different cities.

CITY	INDEX
Juneau, AK	100
Palo Alto, CA	365
Denver, CO	87
Spokane, WA	78
Boston, MA	182
Manhattan, NY	495

Suppose you see a house valued at $830,000 in Palo Alto. Find the price of a comparable house in Juneau.

○ $3,000,000
○ $200,000
○ $180,000
○ $230,000

Question 11

Use the Consumer Price Index below to answer the question.

Average Annual Consumer Price Index (1982-1984 = 100)

Year	CPI	Year	CPI
1986	109.6	1998	163.0
1987	113.6	1999	166.6
1988	118.3	2000	172.2
1989	124.0	2001	177.1
1990	130.7	2002	179.9
1991	136.2	2003	184.0
1992	140.3	2004	188.9
1993	144.5	2005	195.3
1994	148.2	2006	201.6
1995	152.4	2007	207.3
1996	156.9	2008	215.3
1997	160.5		

In 1991, the federal minimum hourly wage was $5.15. Convert this to 2000 dollars.

○ $4.21
○ $6.51
○ $4.07
○ $6.70

Question 12

Average Annual Consumer Price Index (1982-1984 = 100)

Year	CPI	Year	CPI
1986	109.6	1998	163.0
1987	113.6	1999	166.6
1988	118.3	2000	172.2
1989	124.0	2001	177.1
1990	130.7	2002	179.9
1991	136.2	2003	184.0
1992	140.3	2004	188.9
1993	144.5	2005	195.3
1994	148.2	2006	201.6
1995	152.4	2007	207.3
1996	156.9	2008	215.3
1997	160.5		

A book cost $17 in 1987. What was its price in 1994 dollars?

- ○ $13
- ○ $21
- ○ $22
- ○ $24

Question 13

Solve the problem.

Find the gasoline price index for 2000 using the 1955 price as the reference value.
Use the table below.

YEAR	GASOLINE PRICE (cents per gallon)
1955	29.1
1965	31.2
1975	56.7
1985	119.6
1995	120.5
2000	155.0

- ○ 479.3
- ○ 532.6
- ○ 53.3
- ○ 18.8

Question 14

Solve the problem.

The table below shows a housing index that can be used to compare housing prices in different cities.

CITY	INDEX
Juneau, AK	100
Palo Alto, CA	365
Denver, CO	87
Spokane, WA	78
Boston, MA	182
Manhattan, NY	495

Suppose you see a house valued at $800,000 in Palo Alto. Find the price of a comparable house in Denver.

- ○ $170,000
- ○ $3,400,000
- ○ $190,000
- ○ $150,000

Question 15

Solve the problem.

Suppose the current cost of gasoline is $2.14 per gallon. Find the current price index using the 1995 price as the reference value. In 1995, the cost of gasoline was 120.5 cents per gallon.

- ○ 93.5
- ○ 1.8
- ○ 177.6
- ○ 56.3