

less than
smaller q
period (n)
relatives
in period
relatives
period (n)
would ter
the fixed

In gene
tities the
ward with

nt) are associated with
period ($n+1$) than in
e other hand, the high
d with smaller quantities
in period (n) and the low
l with larger quantities in
period (n) the chain index
upward with respect to

values for prices and quan-
will tend to diverge down-
he fixed base index, if

$$\frac{1}{1.1} < \Pi \left(\frac{p_n}{p_{n+1}} \right)^{w_{n+1}}$$

The chain
fixed base
expression

We may
v that if,
ties rise in
to a fixed
succeedin
and if im
than the
remain lo
tion (*i.e.*
productio

diverge upward from the
left-hand side of the above
than the right-hand side.

ula i as we did for formula
ctice, important commodi-
than the average (relative
remain high in price in the
rdless of higher production
commodities fall in price more
relative to a fixed base) and
ardless of smaller produc-
al it is difficult to adjust
nd if more than one period

