

## **Economics Seminar, Indian Statistical Institute, New Delhi.**

**SPEAKER:** Sutirtha Bandyopadhyay, Indian Statistical Institute

**TITLE:** Does Heterogeneity affect the Group Cost Of Living Index?

**TIME:** 11:30 AM - 1:00 PM.

**DAY & DATE:** Friday, 14<sup>th</sup> September, 2012

**PLACE:** Seminar Room 2

**Abstract:**

A Cost Of Living Index is a measure Of change in welfare when price changes. It is usually defined for an individual/household. But almost all the real world policies are concerned with the Cost Of Living Index for a group. There are methods in literature that show the way to construct Group Cost Of Living Index. The importance of Group Cost Of Living Index is to tackle the heterogeneity in household cost of living indices and come up with an unique figure. I consider a very simple set up where heterogeneity in budget shares is the only source of variation in the cost of living indices across households. The question is whether the heterogeneity in budget shares matter to the change in Group Cost of Living Index. I show that it does for several important cases.

<http://www.isid.ac.in/~pu/seminar.html>