



Which offer is better?

**Colombia**

**\$500,000 Pesos**

Venezuela

\$650 Pesos



**Rent is  
\$250,000**



**Rent is  
\$100**

**Some things are more  
expensive, others are  
cheaper...**



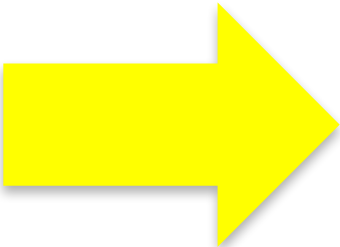
**Food is  
\$50,000**





**Food is  
\$200**

We need to put **all** prices  
into **ONE** single measure to  
be able to determine which  
salary buys more



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# Price index

**ONE** number that represents all prices  
for a given period of time

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