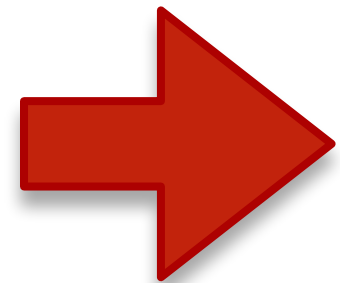




Because items and quantities in the basket are fixed, the CPI does not account for new goods which represent a drop in prices

Cause of this mistake: CPI uses **old** quantities with **new price**

We do not calculate the CPI correctly: New Goods Bias

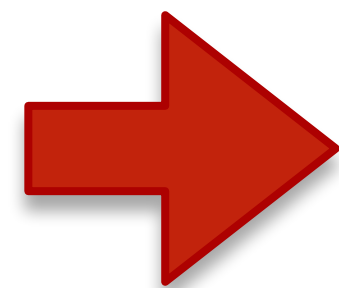


Solution: Use "Chained CPI which  
uses a basket that changes from  
month to month

We **do not** calculate the CPI correctly: **New Goods Bias**

Because items and quantities in the basket are **fixed**, the CPI **does not account for new goods** which represent a drop in prices

Cause of this mistake: CPI uses **old** quantities with **new price**



Solution: Use "**Chained** CPI which uses a basket that changes from month to month

We **do not** calculate the CPI correctly: **Quality** Bias