

THE ECONOMICS BEHIND PRICE INDICES

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LECTURE 1: [Understanding how Price Indices are calculated](#)

- (*) Lebow and Rudd [2003] "Measurement error in the Consumer Price Index: Where do We Stand?" *Journal of Economic Literature*, March.
- Bureau of Labor Statistic [1997] "[Measurement Issues in the CPI](#)", June.
- Hausman and Leibtag (2004) "[CPI Bias from Supercenters: Does the BLS know that Wal-Mart exists?](#)" NBER wp 10712
- Petrin (2002) "[Quantifying the Benefits of New Products: The Case of the Minivan,](#)" *Journal of Political Economy* , 110:705-729
- Boskin and Jorgensen (1997) "Implications of Overstating Inflation for Indexing Government Programs and Understanding Economic Progress" *American Economic Review* Vol. 87.

LECTURE 2: [Applications to International Trade](#)

- Gains from Trade
 - (*) Krugman [1980] "[Scale Economies, Product Differentiation , and the Pattern of Trade.](#)" *American Economic Review*, December.
 - (*) Broda and Weinstein [2006] "[Globalization and the Gains from Variety](#)" *Quarterly Journal of Economics*, May 2006.
- Trade and Growth:
 - Rivera-Batiz and Romer [1991] "Economic Integration and Endogenous Growth", *The Quarterly Journal of Economics*, CVI.
 - (*) Hallak and Levinsohn [2004] "[Fooling Ourselves: Evaluating the Globalization and Growth Debate](#)", NBER Working Paper 10244.
 - (*) Broda, Greenfield and Weinstein [2006] "[From Groundnuts to Globalization: A Structural Estimate of Trade and Growth](#)" mimeo University of Chicago.

LECTURE 3: [Understanding how the BLS adjusts for Quality](#)

- (*) Hobijn (2003) "[On both sides of the quality bias in price indexes](#)" mimeo Federal Reserve Bank of New York.
- (*) Bils (2004) "[Measuring Growth from Better and Better Goods](#)" NBER wp. 10606

(*) Recommended Readings.