Name:

**Direction**s: You will be looking at the rate of inflation through calculating how the cost has risen for all 364 items in the song the 12 Days of Christmas. Make your way through the questions (each one gives you directions how to solve each problem.

| | ITEM | Price in year 2012 | Price in year 2000 | CPI |
|---|---|---|---|---|
| 1 | Partridge in a Pear Tree | $204.99 | $113.00 | |
| 2 | Turtle Doves | $125.00 | $50.00 | |
| 3 | French Hens | $165.00 | $15.00 | |
| 4 | Calling Birds | $519.96 | $280.00 | |
| 5 | Golden Rings | $750.00 | $250.00 | |
| 6 | Geese A-Laying | $210.00 | $150.00 | |
| 7 | Swans A-Swimming | $7000.00 | $3500.00 | |
| 8 | Maids A-Milking | $58.00 | $41.20 | |
| 9 | Ladies Dancing | $6294.03 | $3932.72 | |
| 10 | Lords A-leaping | $4766.60 | $3660.80 | |
| 11 | Pipers Piping | $2562.00 | $1544.40 | |
| 12 | Drummers Drumming | $2775.50 | $1,673.10 | |

1.  Calculate the CPI For each item
    (Note: CPI=(Cost of Basket Today/Cost of Basket in Base Year) *100)

    a.  Which item has been most impacted by inflation? (Has the highest CPI)

    b.  How might this knowledge impact you as a consumer?

2.  Calculate the total CPI for 2012
            Step 1: Add up all Prices for 2012   -
            Step 2: Add up all Prices for 2000   -
            Step 3: CPI=(Total 2012/Total 2000)*100   -

3.  Calculate CPI for 2011
            (Note: Base Year is still 2000)
            Total Price 2011 is $24,263.18

4.  Calculate the Inflation rate since 2011
    (Note: Inflation %= ((Current Year's CPI-Base years CPI)/Base Year's **CPI**)*100

5.  Calculate the inflation rate since 2000

6. **In the blank space below write a letter to your boss using the Inflation rate from 2011 to now to justify how much a raise he should give you in salary. Give an exact number, not just a percentage. Assume your salary is $25,000/yr**