Axioms of Probability

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- 1. For any event E, $0 \le P(E) \le 1$
- 2. For Sample Space, P (S) = 1
- 3. $P(A \cup B) = P(A) + P(B)$ for mutually disjoint events.

Axiom 1: Probability of Event

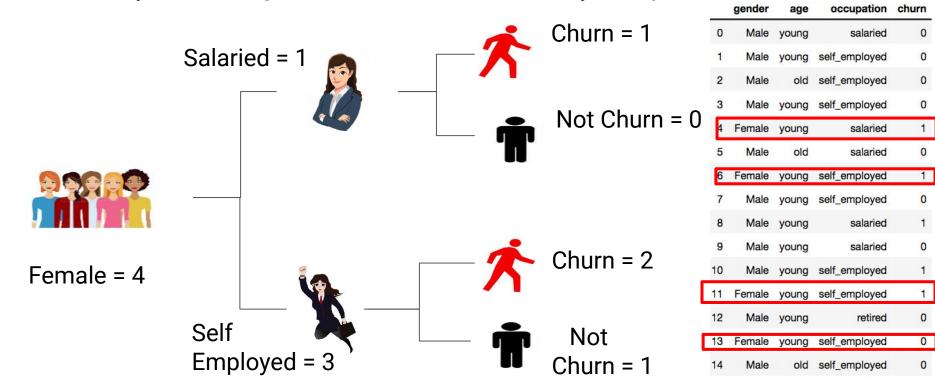
• For any event E, $0 \le P(E) \le 1$

$$P(event) = \frac{count \ of \ outcomes \ in \ Event}{count \ of \ outcomes \ in \ Sample \ Space}$$

Axiom 2: Probability of Sample Space

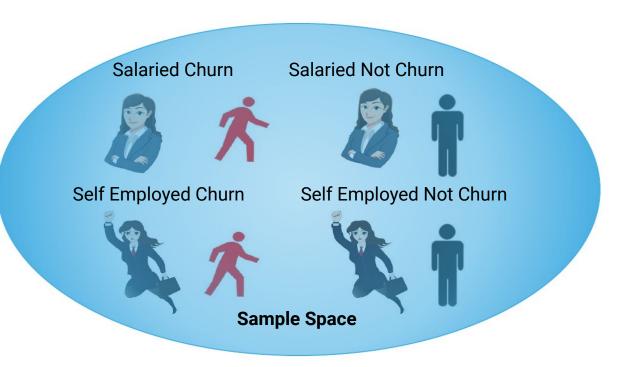
For Sample Space, P (S) = 1

Ex. Probability of churning status of female customer by their profession?



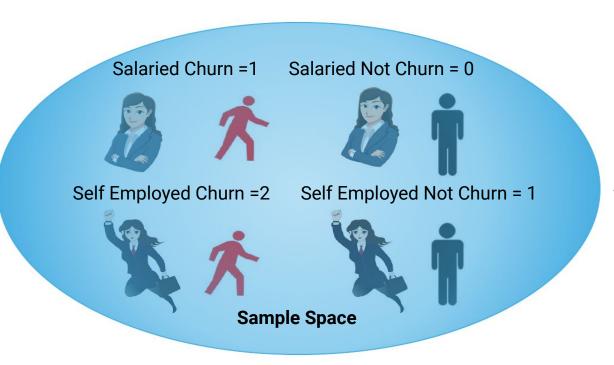
Axiom 2: Probability of Sample Space

Ex. Probability of churning status of female customer by their profession?



Axiom 2: Probability of Sample Space

Ex. Probability of churning status of female customer by their profession?



P (Salaried Churn) = $\frac{1}{4} \rightarrow 0.25$ P(Salaried Not Churn) = $0 \rightarrow 0$ P(Self Employed Churn) = $\frac{1}{2} \rightarrow 0.5$ P(Self Employed Not Churn) = $\frac{1}{4}$ $\rightarrow 0.25$

P(Sample Space) = 0.25 + 0 + 0.5 + .25 = 1

Axiom 3: Mutually Exclusive Event

• $P(A \cup B) = P(A) + P(B)$ for mutually exclusive events

Mutually Exclusive Events: Two events, A and B are said to be mutually exclusive if they can not occur together (have no common elements)

$$P(A \cap B) = 0$$

Axiom 3: Mutually Exclusive Event

Event A: Getting a number greater than 4 rolling a dice.



Event B: Getting a number less than 3 rolling a dice.



Axiom 3: Mutually Exclusive Event

Event A: Getting a number greater than 4 rolling a dice.



Event B: Getting a number less than 3 rolling a dice.



Event A^c: Getting a number less than or equal to 4 on rolling a dice.



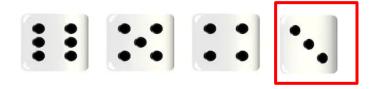
Mutually Exhaustive Event

Mutually exhaustive means that the events together make up everything that can possibly happen

$$P(\bigcup E^n_{i=1}) = S$$

Mutually Exhaustive Event

Event A: Getting a number greater than 2 rolling a dice.

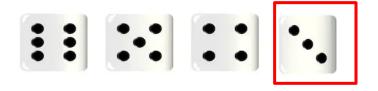


Event B: Getting a number less than 4 rolling a dice

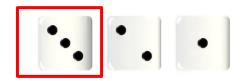


Mutually Exhaustive Event

Event A: Getting a number greater than 2 rolling a dice.



Event B: Getting a number less than 4 rolling a dice



Event C: Getting a number less than 3 rolling a dice



Thank You!



Axioms of Probability

- 1. For any event E, $0 \le P(E) \le 1$
- 2. For Sample Space, P (S) = 1
- 3. $P(A \cup B) = P(A) + P(B)$ for mutually disjoint events. (A \cap B = 0)

Mutually disjoint (can not both occur at once), mutually exclusive, have no elements in common.