

$$V(X) = E[X^2] - (E(X))^2$$

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(iii) as it is equal to the marginal PMF product of  $P(X=2)$  &  $P(Y=4)$  then, yes it is independent.

## COVARIANCE

Used specifically to describe association b/w two Random Variables

It uses probability to evaluate.

It has dimensions (x and y)  
It has units.

$\text{Cov}(X, Y) > 0$  positively correlated  
 $\text{Cov}(X, Y) < 0$  negatively "  
 $\text{Cov}(X, Y) = 0$  not correlated.

## CORRELATION.

Used to describe the association b/w two quantities.

It uses numerical data to evaluate.

It is dimensionless and unitless.

The value typically ranges from  $(-1 \text{ to } 1)$ .

$$\text{Cov}(X, Y) = E[XY] - E[X]E[Y]$$

~~~~~X~~~~~

Important Note:-

Consider a random variable  $X$  has mean  $\mu$  &  $(\text{std dev})^2 = \sigma^2$

$X \rightarrow \sigma^2$  (variance)  
 $X \rightarrow \mu$  (mean)

Now consider another random variable  $A$  such that



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$$A = kX$$

then

$$E[A] = k\mu$$

→ expected value of that Random Variable.

$$\sigma_A^2 = k^2 \sigma^2$$

where  $k$  is a constant.