

# KEY TAKEAWAYS

## CHAPTER TITLE

## Excel Basics: Applying Business Maths & Statistics

## VIDEO TITLE

## Commonly Used Statistic Concepts (Variance, Standard Deviation)

- 1 Variance is a measure of how spread out a distribution is. It is calculated as the **average of the squared differences from the mean**.
- 2 The smaller the variance, **the less spread out** the data is. Conversely, the larger the variance, **the more spread out** the data is.
- 3 Standard deviation is a measure of the amount of variation or dispersion of a set of values. It is calculated as the **square root** of the variance.
- 4 The smaller the standard deviation, the closer the data points are to the mean. Conversely, the larger the standard deviation, the more spread out the data points are.
- 5 The stock market's volatility is the best use case for variance and standard deviation.

