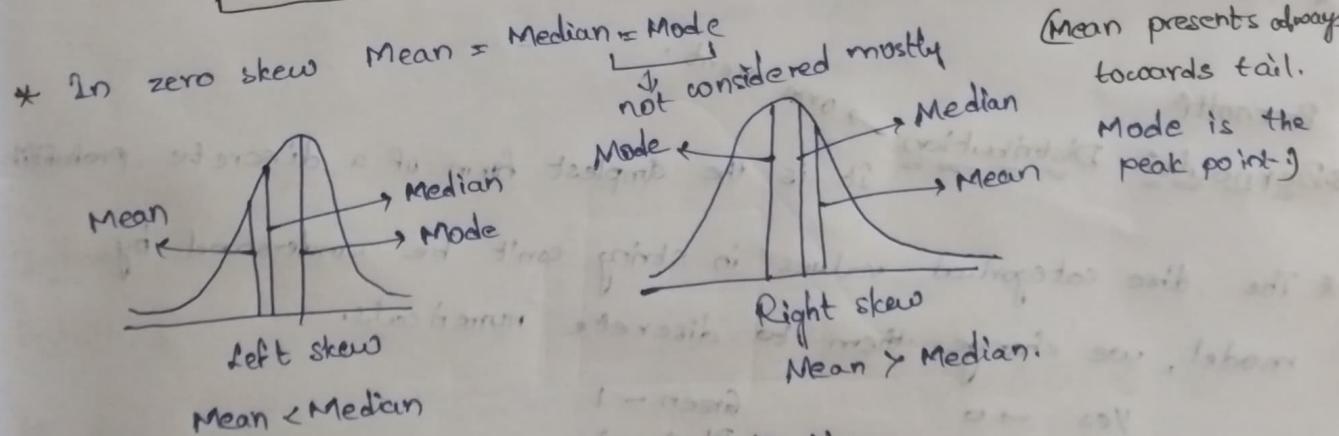


- \* Whenever the skewness is present, the model becomes biased.
1. Positive skew / right skew: Tail on the right side is longer & most of the data is in left.
  2. Negative / left skew: Tail on the left side is longer & most of the data is in right.
  3. Zero skew (Symmetric): The data is evenly distributed around the mean like a normal distribution.

\* We can identify the skewness based on the visual representation & the calculation.

$$\text{Skewness} = \frac{3(\text{Mean} - \text{Median})}{\text{Standard Deviation}}$$



- \* Skewness value ranges between  $-1$  to  $+1$ .
- If the value is near to  $-1$ , then it's -ve skew
  - If the value is near to  $+1$  then its +ve skew
  - If the value is between " $-0.5$  to  $0.5$ " it is zero skew.

Kurtosis: Talks about outliers of the data.  
 It measures the tailedness (or peakness) of data distribution, it helps to find outliers.

$$K = \frac{1}{n} \sum_{i=1}^n \left( \frac{x_i - \bar{x}}{\sigma} \right)^4$$

$\mu/\bar{x} \rightarrow$  mean.

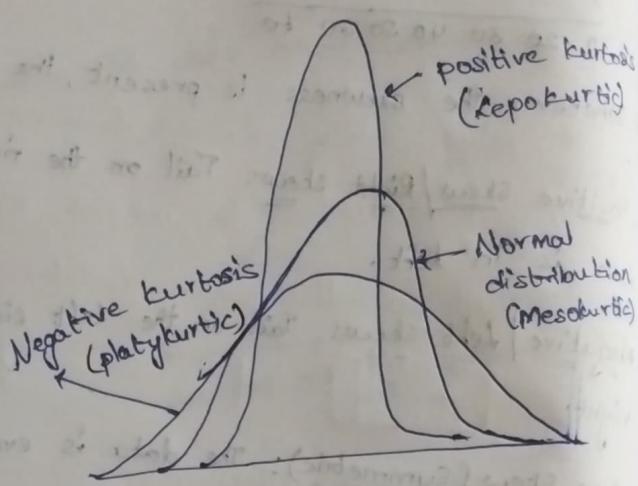
$\sigma \rightarrow$  SD

$n \rightarrow$  total pop/sam.

Types of kurtosis:

+ Measure

1. Mesokurtic ( $K=3$ ):  
  - Normal distribution
  - No outliers
  - Moderate tail & peak.



2. Leptokurtic ( $K>3$ ):

- Heavy tails
- Sharp peak
- More outliers.

3. Platykurtic ( $K<3$ ):

- Light tails & flat peak.
- Less outliers

\* Normal & Standard Normal

Bernoulli Distribution: It is the simplest form of a discrete probability distribution. It models a random experiment with exactly one event.

\* The disc categorical values in string can't be understood by model, we change them to discrete numericals.

yes  $\rightarrow 0$   
 no  $\rightarrow 1$

Green - 1

Blue - 2

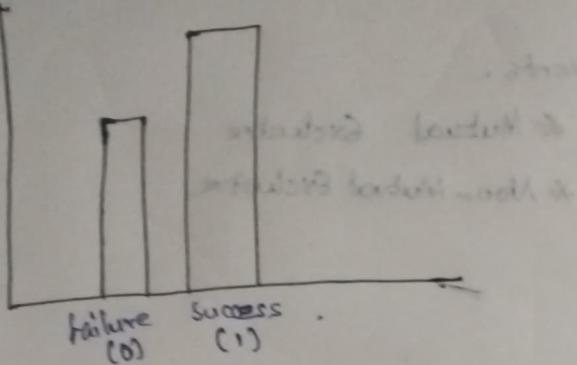
Red - 3

\* It is the simplest form of a discrete probability distribution, models a random experiment with exactly 2 outcomes.

Success denoted by = P

Failure:  $1 - P$

Total probability is 1.  
 It ranges from 0 to 1.)



4. **Binomial Distribution:** It generalises the bernoulli distribution to multiple events or trials. It models the number of success in a fixed number of independent & identical bernoulli trials.

Multiple events & no fixed time.

$$P(X=k) = \binom{n}{k} p^k (1-p)^{n-k}$$

k : no. of success

n : no. of trials

p : probability of success

5. **Poisson Distribution:** The poisson distribution is used to model the number of events that occur in a fixed time interval or space and occur independently, the parameter ( $\lambda$ ) represents the average number of events in the interval.

Multiple events & fixed intervals.

$$P(X=k) = \frac{\lambda^k e^{-\lambda}}{k!}$$

$\lambda$  : avg. no. of events in interval  
k : no. of occurrences

### **Inferential Statistics:**

**Probability:** It is a measure of likelihood of an event.

Eg: Dice = {1, 2, 3, 4, 5, 6} Rolling a dice.

$$P(A) = \frac{1}{6}$$

$$P(2, 5, 3) = \frac{3}{6} = \frac{1}{2} = 0.5$$

$$P(A) = \frac{\text{No. of favourable outcomes}}{\text{Total outcomes.}}$$

- Tossing coins {HH, HT, TH, TT}.

There are 2 rules in probability:

1. Addition Rule  $\rightarrow$  OR

2. Multiplication Rule  $\rightarrow$  AND.