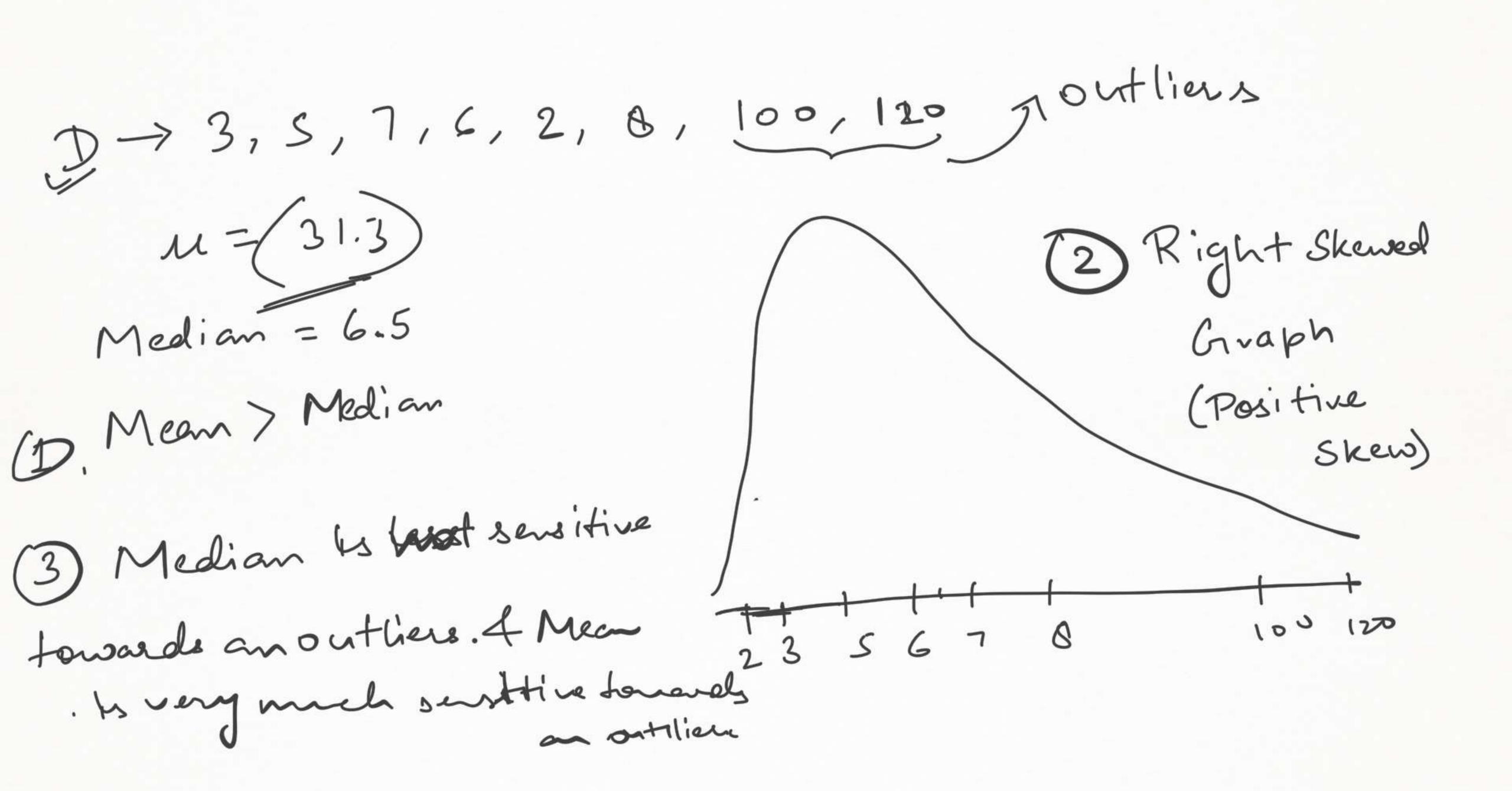


### Statistics

1.) Descriptive  $\Rightarrow$  Meenn 2.) Inforential  $\Rightarrow$  Stemdard Deviation

Sample Popylation

Sample Population



7 outliers D-> 100,110,120,115,105,100,5,3,2 Left Shewed M=73-3 (Negertive Median = 100 DMediam > Men

00 110 120 185 185

Mean ~ Media ~ Mod. Novma metroibution

$$D \rightarrow 2, 3, 5, 4, 7, 8, 10$$
 $u = 5.5$ 

$$\frac{1}{2} \left( \frac{\chi}{\chi} - \frac{\chi}{\chi} \right)^{2}$$

$$= \frac{(2-s\cdot s)^{2}}{7} + \left(\frac{3-s\cdot s}{7}\right)^{2} + - - = \frac{49\cdot 7!}{7} = 7$$

## 60-95-99 Rule (Empirican 1 Formula)

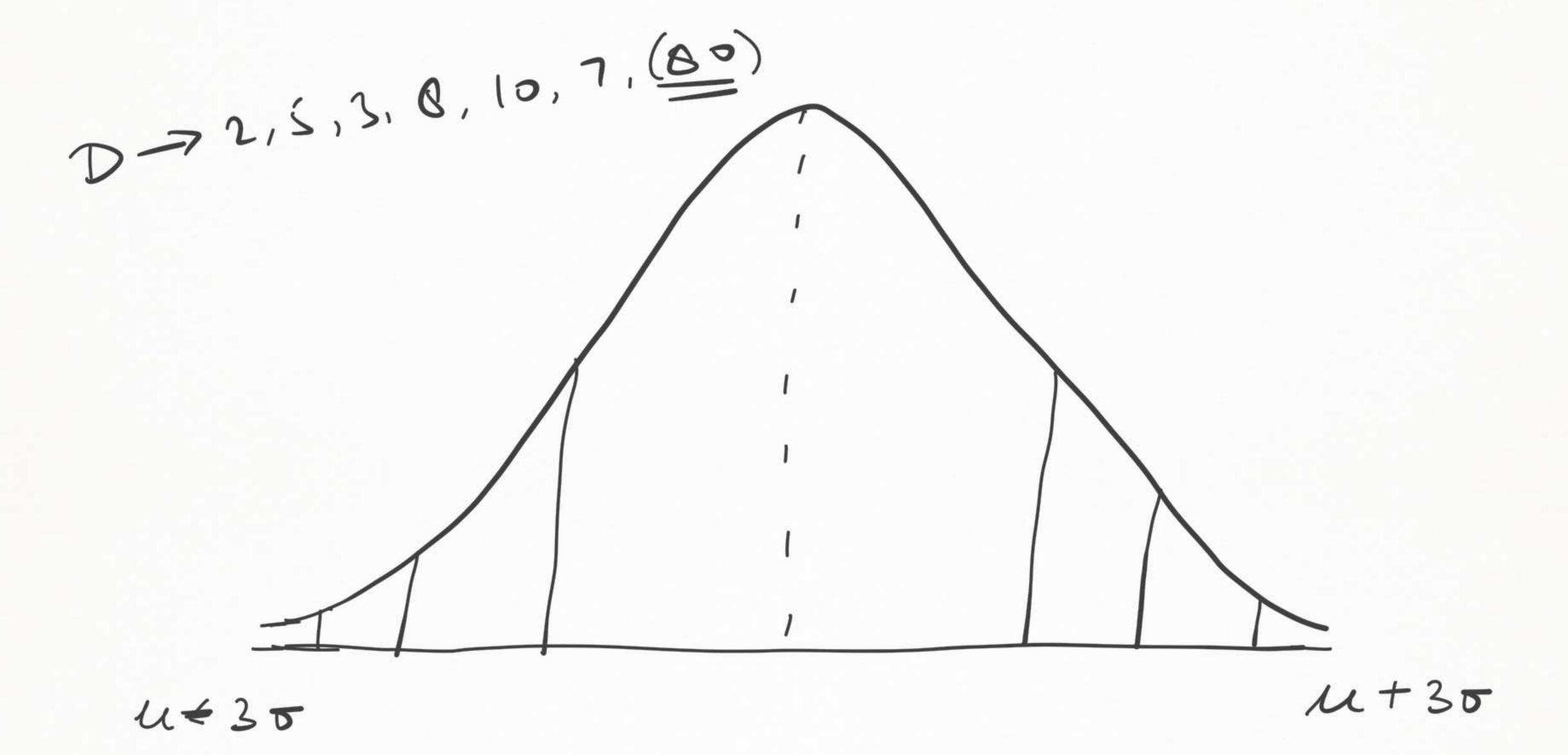
$$D = 2/(3, 5, 7, 4, 0)/10$$
  
 $M = 5.5$   
 $\sigma = 2.6$ 

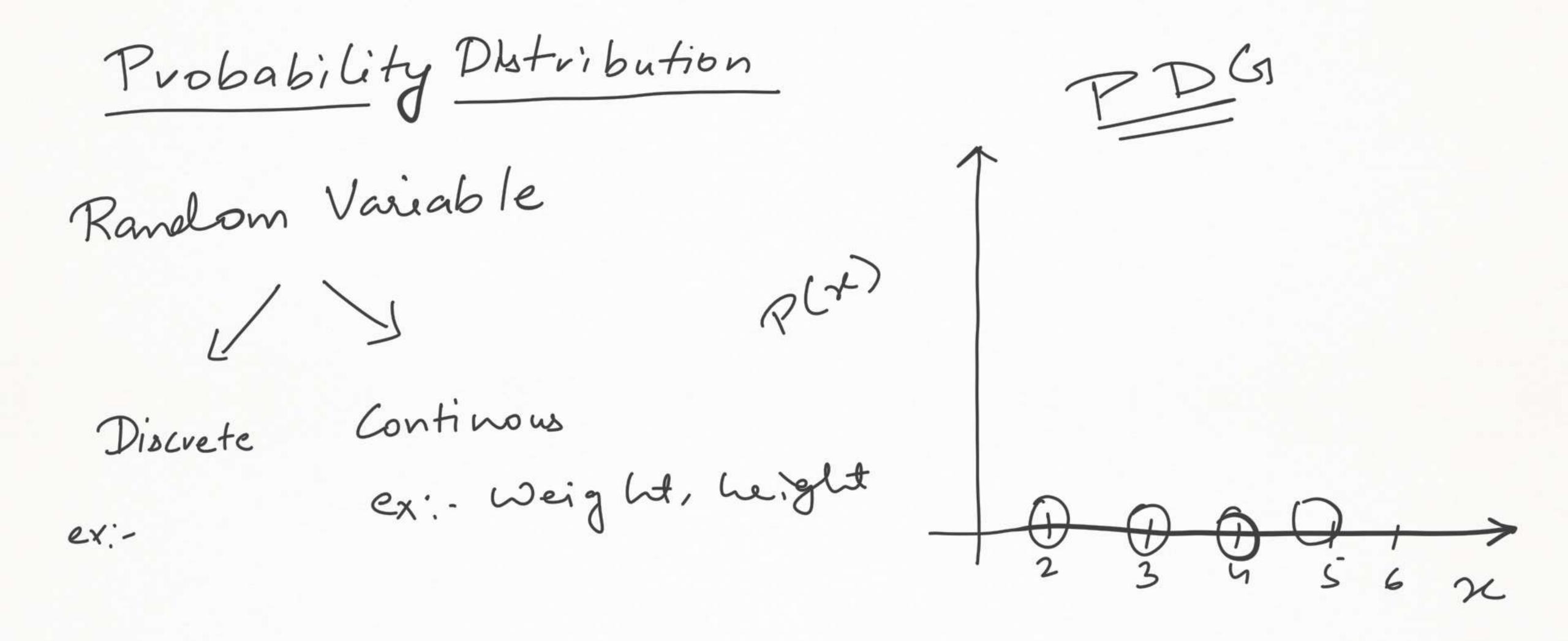
$$M \pm 5 = 60\%$$

$$M \pm 2 = 95\%$$

$$M \pm 3 = 99.7\%$$

$$5.5 - 2.5 \le D \le 5.5 + 2.5$$
 $3 \le D \le 8$ 
 $5.5 - 3 \le D \le 5.5 + 5$ 
 $0.5 \le D \le 10.5$ 





- 1.) Binomial Distribution
- 2.) Poisson Distribution
- 3-) Uniform Distribution
- 4.) Normal "
- (5.) Standard NID

## Binomial Distribution

(3.) Tossed a coin for 7 times. What is the probability of getting 5 heads?

$$Sol:-N=7$$
 $V=5$ 
 $P=\frac{1}{2}$ 
 $Q=1-P=\frac{1}{2}$ 

$$P(x=s) = {}^{7}C_{5}(1/2)^{5}(1/2)^{2}$$

$$= {}^{2}(1/2)^{5}(1/2)^{2}$$

$$= {}^{2}(1/2)^{5}(1/2)^{2}$$

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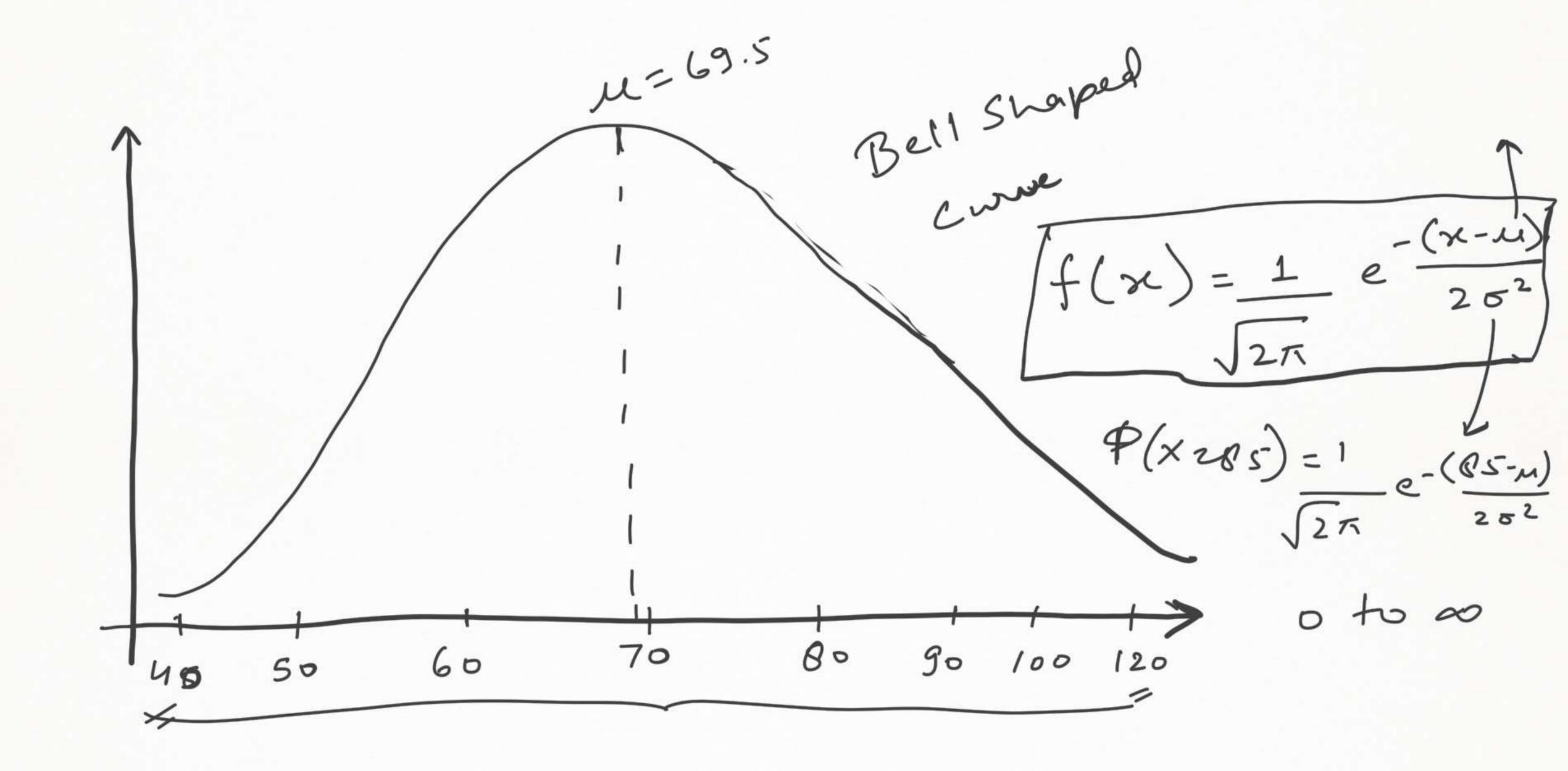
N = 7 P(x > 3) = P(x = 4) + P(x = 5) + P(x = 6) + P(x = 7) F

#### Poisson Distribution

$$P(x) = \frac{1}{x!}$$

3 insurance/week

$$x=0$$
 $y=0$ 
 $y=0$ 
 $y=0$ 
 $y=0$ 
 $y=0$ 
 $y=0$ 
 $y=0$ 



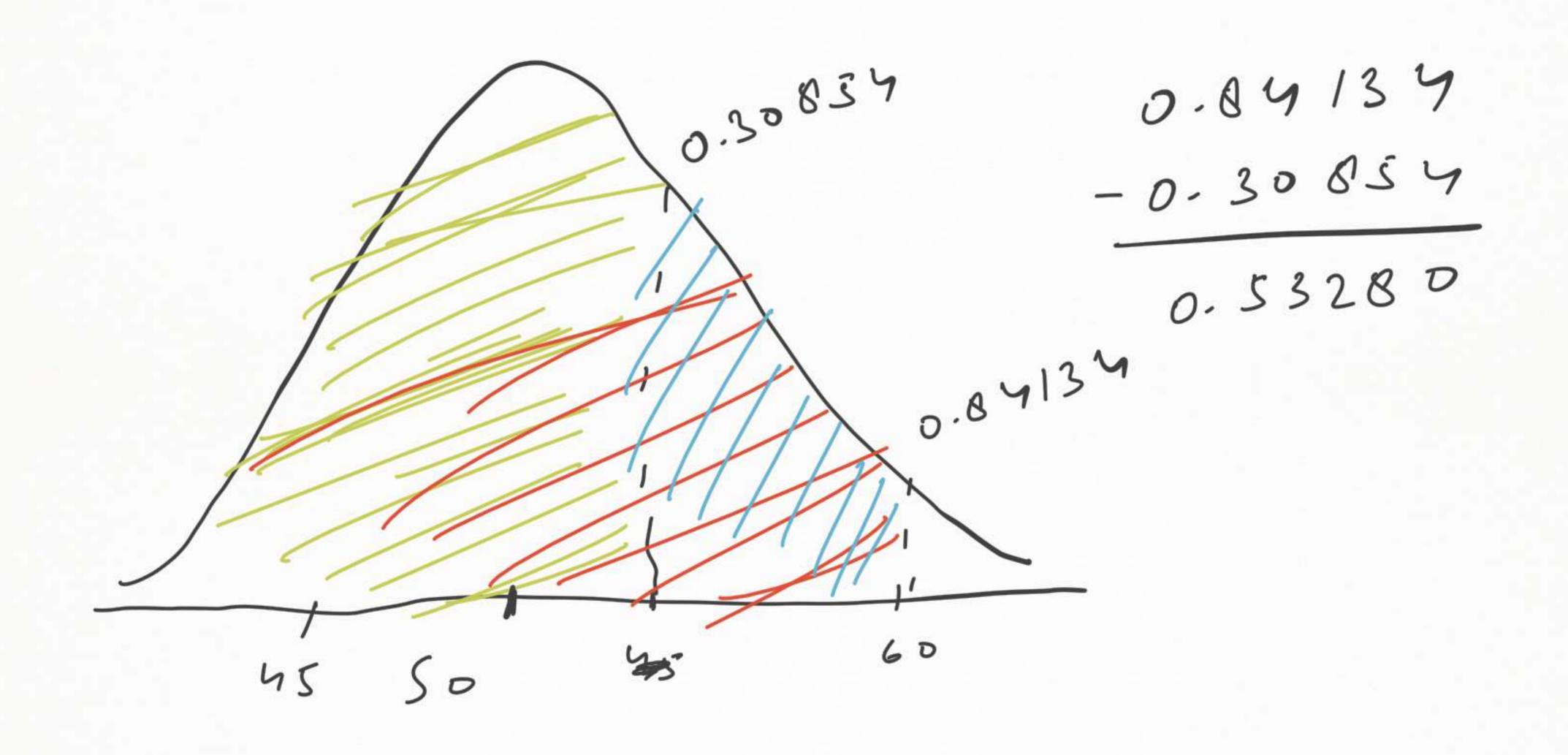
Standard Normal Distribution D=1,3,2,5,7,6,M=4 0=2.1 (D' = -1.5, -0.5, -1,)-41

$$M = 50 \text{ mins}$$

$$\sigma = 10 \text{ mins}$$

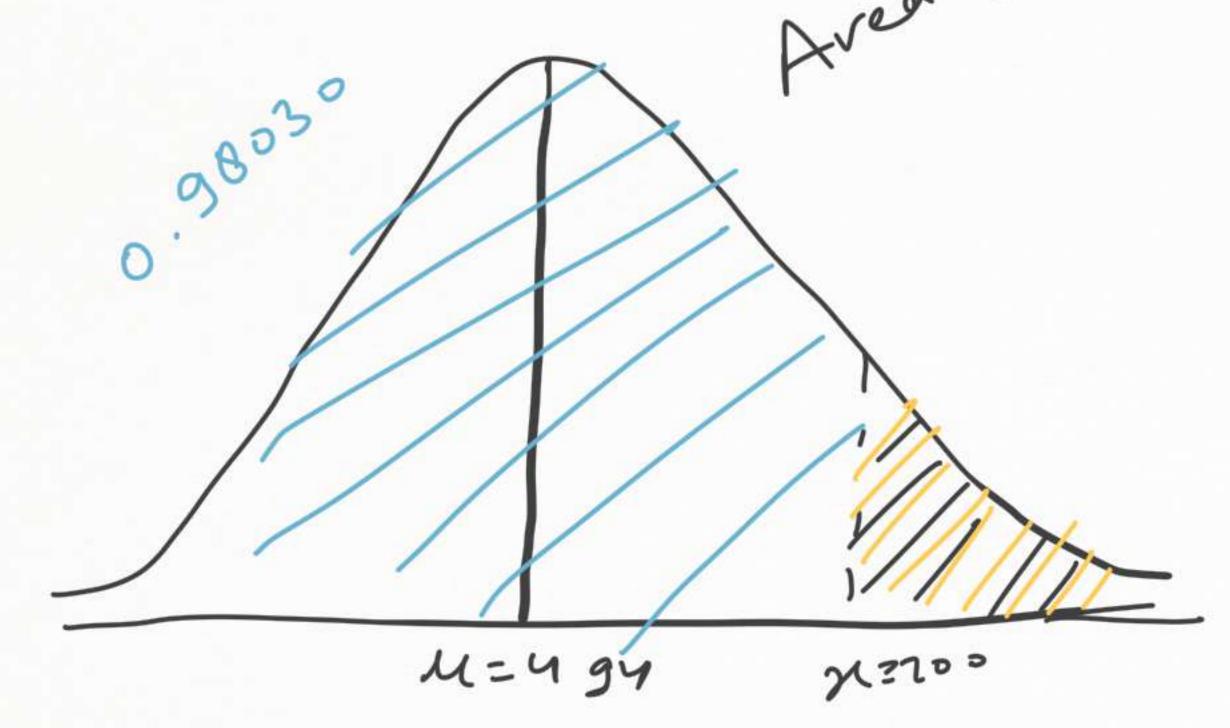
$$Z = \frac{45 - 50}{10} = -0.5$$

$$Z = \frac{60 - 50}{10} = 1$$



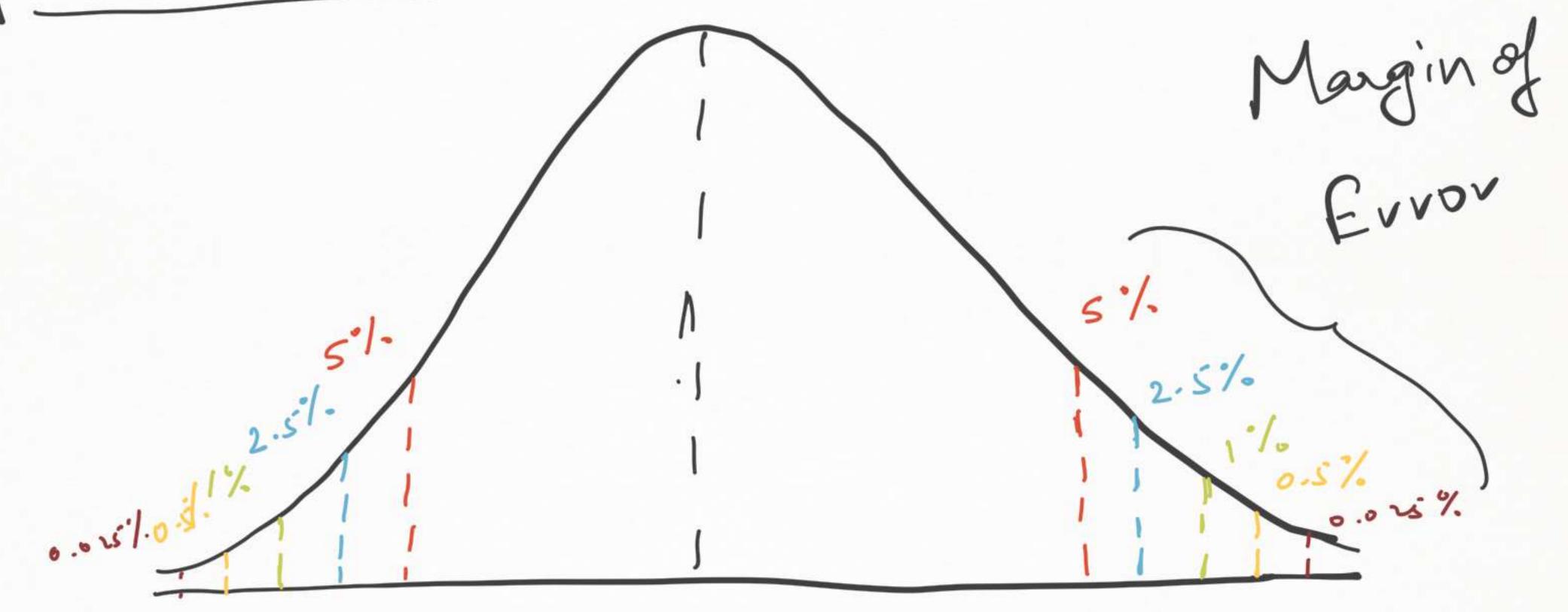
$$M = 494$$
 $\sigma = 100$ 
 $P(X > 700) = 9$ 

$$Z = \frac{700 - 494}{100} = 2.06$$



#### Estimation

Monfidence Interval



> Standard deviation  $\frac{1}{2} + \frac{1}{2} \frac{\sigma}{\sqrt{N}}$   $\frac{1}{2} \frac{1}{\sqrt{N}} = \frac{1}{2} \frac{1}{\sqrt{N}}$ Margin of Error Size X = 5% x = 10% Z0.05 = -1.64 ×/2 = 5.% Z0.023 =-1.96  $\propto /2 = 2.5^{\circ}/2$  = 2.0.025

Hypothesis Testing\_

Null hypothesis, Ho

Afternate hypothesis, MA

Ho 99%

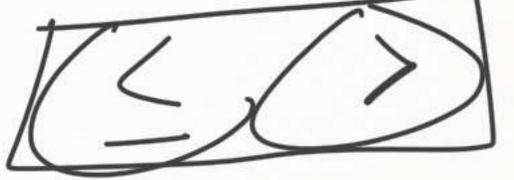
1/A 7 99%

## One Tail vs Two Tail Test

Ho: Rent <=20000 (I. will bug)

MA: Rent > 20k (T. will not by)

One Tail Test





16: D= 20 mm 1/A: D 7 20 mm Two Pail Pest CR -> It's a region where I can reject the Ho.

# Type I and Type II error

Type 1 evvor => False Positive 2 e vvor => False Negative

Decision	Ho True	Ho False
Reject Ho		Correct Decision
Accept Ho	Correct Decision	Type II evvor

1.) z-test & When we are cheking the significent (some le si se >30) différence blu population meant sample 2.) + - test mean.

(Sample size (30)

3.) Chi-Squeue Test => Population varience & Sample variance

4.) ANNOVA (Analysis of Variance)

Q) A manufacturer of printer cartridge clams that a certain cartridge manufactured by him has a mean printing capacity of at least 500 pages. A wholesale purchaser selects a sample of 100 printers and tests them. The mean printing capacity of the sample came out to be 490 pages with a standard deviation of 30 printing pages.

Should the purchaser reject the claim of the manufacturer at a significance level of 5%?

Solv:Ho: I will buy (M), soo) = 0.05

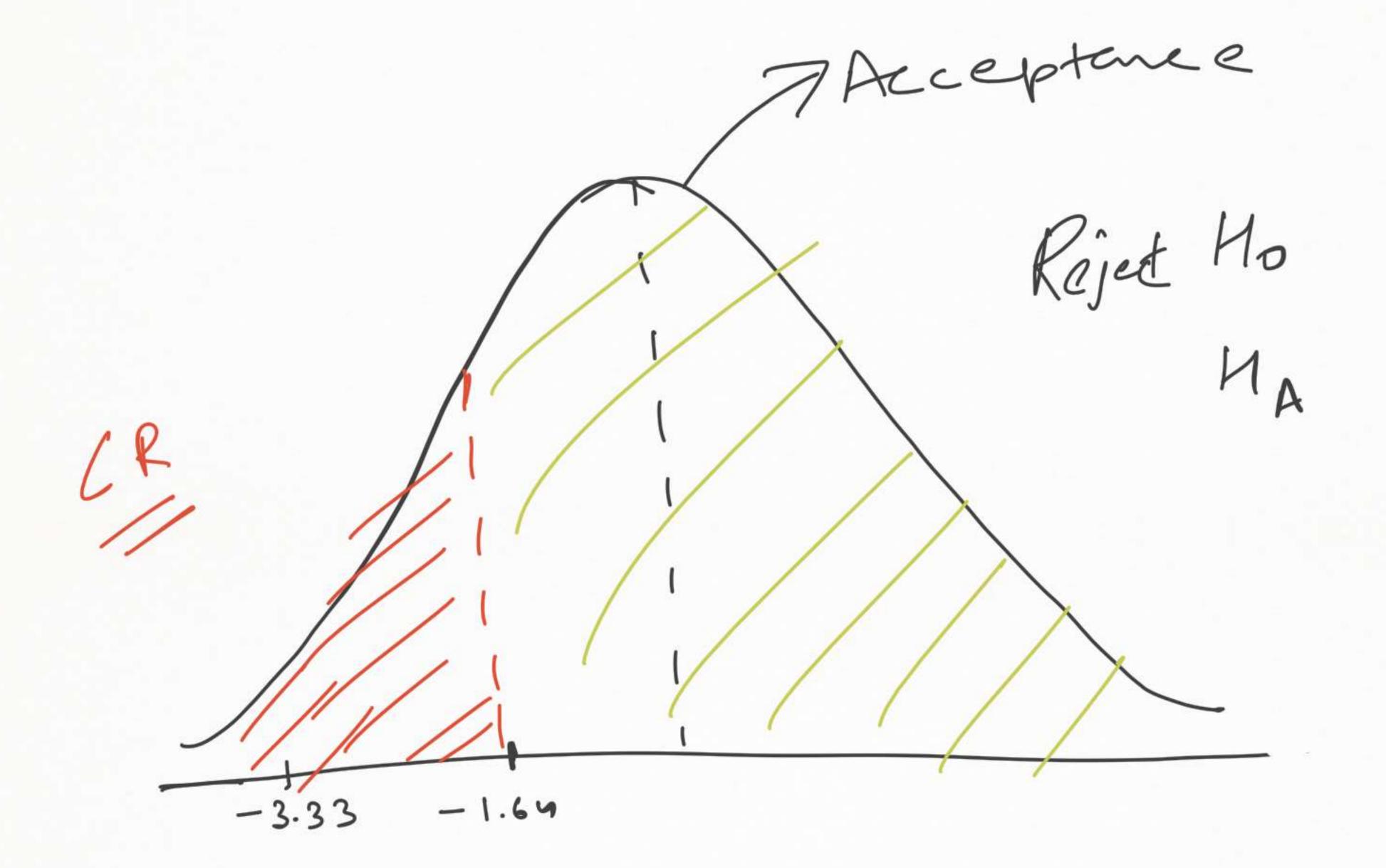
[HA: I will not byy (M (500))

It's a one tail test. (keft hand)

## Z-test = Sample Mean-Popu. Mean Standard Error

$$= \frac{C99 - 500}{30} = \frac{-10}{3} = -3.33$$

$$\frac{30}{\sqrt{100}}$$



Q) A company used a specific brand of Tube lights in the past which has an average life of 1000 hours. A new brand has approached the company with new Tube lights with same power at a lower price. A sample of 120 light bulbs were taken for testing which yielded an average of 1100 hours with standard deviation of 90 hours. Should the company give the contract to this new company at a 1% significance level.

$$H_0 = M = 1000$$
 $H_A = M < 1000$ 
 $Z_{0.01} = 2.576$ 

Q) A tyre manufacturer claims that the average life of a particular category of its tyre is 18000km when used under normal driving conditions. A random sample of 16 tyres was tested. The mean and SD of life of the tyres in the sample were 20000 km and 6000 km respectively.

Assuming that the life of the tyres is normally distributed, test the claim of the manufacture at 1% level of significance.

$$H_0: \mathcal{U} = 180000 \text{ km}$$
 $H_A: \mathcal{U} = 180000 \text{ km}$ 
 $\mathcal{A} = 1\%$ 

$$\frac{1 - test}{\frac{6000}{\sqrt{16}}} = \frac{20000 - 10000}{\sqrt{16}}$$

$$= \frac{12000 \times 4}{36000} = 1.33$$

$$df = N-1$$
= 15
 $t_{0.01} = 2.947$ 
 $t_{-1} = 1.33$ 
 $t_{-1} = 1.33$ 

N-1

N1-1+ N2-1

df 2 N1+N2-2

Z-test 4 +-test

significat difference b/w meens

Chi-square

variance / Huntation

N<sup>2</sup> = (n-1). s<sup>2</sup> Variance o<sup>2</sup> > population variance Q) The variance of a certain size of towel produced by a machine is 7.2 over a long period of time. A random sample of 20 towels gave a <u>variance</u> of 8. You need to check if the variability for towel has increased at 5% level of significance, assuming a normally distributed sample.

variance 2 (s.d)2

$$\chi^{2} = (n-1).s^{2} = \frac{19.8}{7.2} = 21.1$$

$$\chi^{2}_{0.025} = 32.852$$
 $\chi^{2}_{0.025} = 32.852$ 
 $\chi^{2}_{0.025} = 32.852$ 

# Goodness of fit Test

Ho: Population distribution of the variable is same as the proposed distribution

MA: The distributions are different.

$$E\left(1 dog\right) = 0.60$$

$$E\left(2 dog\right) = 0.20$$

$$E\left(3 ovmove dogs\right) = 0.12$$

$$O(1dog) = 73$$
  
 $O(2dog) = 38$   
 $O(300 move) = 18$ 

Mo: Results are same.

MA: Results are different.

$$\chi^2 = \sum_{E} (O - E)^2$$

		1 Dog	2 Dog	300 more
observed	)	73	38	18
Expected		0.60x129 = 77.4	0.28×129= 36.12	0.12 x129 = 15.48
0-E		-4.4	1.88	2.52

$$\chi^{2} = \sum_{E} \frac{(0-E)^{2}}{77.7} = \frac{(-4.4)^{2} + (1.88)^{2} + (2.52)^{2}}{36.12} = \frac{(-4.4)^{2} + (1.88)^{2} + (2.52)^{2}}{36.12}$$

$$\chi^2 = 0.7533$$
 $\chi^2 = 5.991$ 
 $\chi^2 = 5.991$ 

## Analysis of Variance (ANOVA)

SS between 
$$\rightarrow$$
 Sum of Square blustue groups  
SS within  $\rightarrow$  " " within the groups  
 $M_0 \Rightarrow M_1 = M_2 = M_3 = - M_n$   
 $M_A \Rightarrow M_1 \neq M_2$ 

		1.
٠	ŧ۰	
-	Ξ.,	-

			Scho		(S1) -	(S2-	(S3-	(S4-
	School	School	ol	School	S1_mean)	S2_mean)	S3_mean)	S4_mean)
	1(S1)	2(S2)	3(S3)	4(S4)	^2	^2	^2	^2
						0.1111115		1.3610955
	8	6	6	5	1	56	0	56
						2.7777755		0.0277755
	6	4	5	6	1	56	1	56
						0.1111115		0.0277755
	7	6	5	6	0	56	1	56
						0.4444435		0.6944555
	5	5	6	7	4	56	0	56
						0.1111115		0.0277755
	9	6	7	6	4	56	1	56
						1.7777795		0.694455
		7	8	7		56	4	56
			5				1	
Tota						5.3333333		2.8333333
1	35	34	42	37	10	33	8	34
Mea		5.6666666		6.1666666				
n	7	7	6	67				
Gran								
d								
mea	6.2083333							
n	33							

$$K = 4$$
 $N = 24$ 
 $Mg_1 = 7$ 
 $Mg_2 = 5.67$ 
 $Mg_3 = 6$ 

SS Between =  $\sum_{i}^{n} (\pi_{i} - G_{i}M)^{2}$  each group Ly Meen of the group SSBetween = 5 \* (7-6.21)2 + 6 \* (5-67-6.21)2 + 7 \* (6-6.21)2 + 6 \* (6.167 - 6.21) = 5.18

 $MSS_{Between} = \frac{5.18}{k-1} = \frac{5.18}{3} = 1.78$ 

SSWIThin = 
$$\sum (x_1 - u_1)^2$$
  
=  $10 + 5.33 + 8 + 2.83$   
= 26.16

Meanssoithin = 
$$\frac{26.16}{Nl-k} = \frac{26.16}{24-4} = \frac{26.16}{20}$$
  
 $f - test = \frac{1.73}{1.30} = 1.32$ 

$$f - test = 1.32$$
 $F_{0.0S} = 3.80$ 
 $1.32 \quad 3.80$ 

- 1.) 2 test -> Checking the significant blo Population Mean 4 Sample Mean. [Sample Size should be greater them 30]
- 2.) t-test -> Sample Size is less than 30.
- 3.)  $\chi^2$ -test -> checking significant difference blu Population Variance 4 Sample Variance.

Goodness of fit test on cartegorical data.

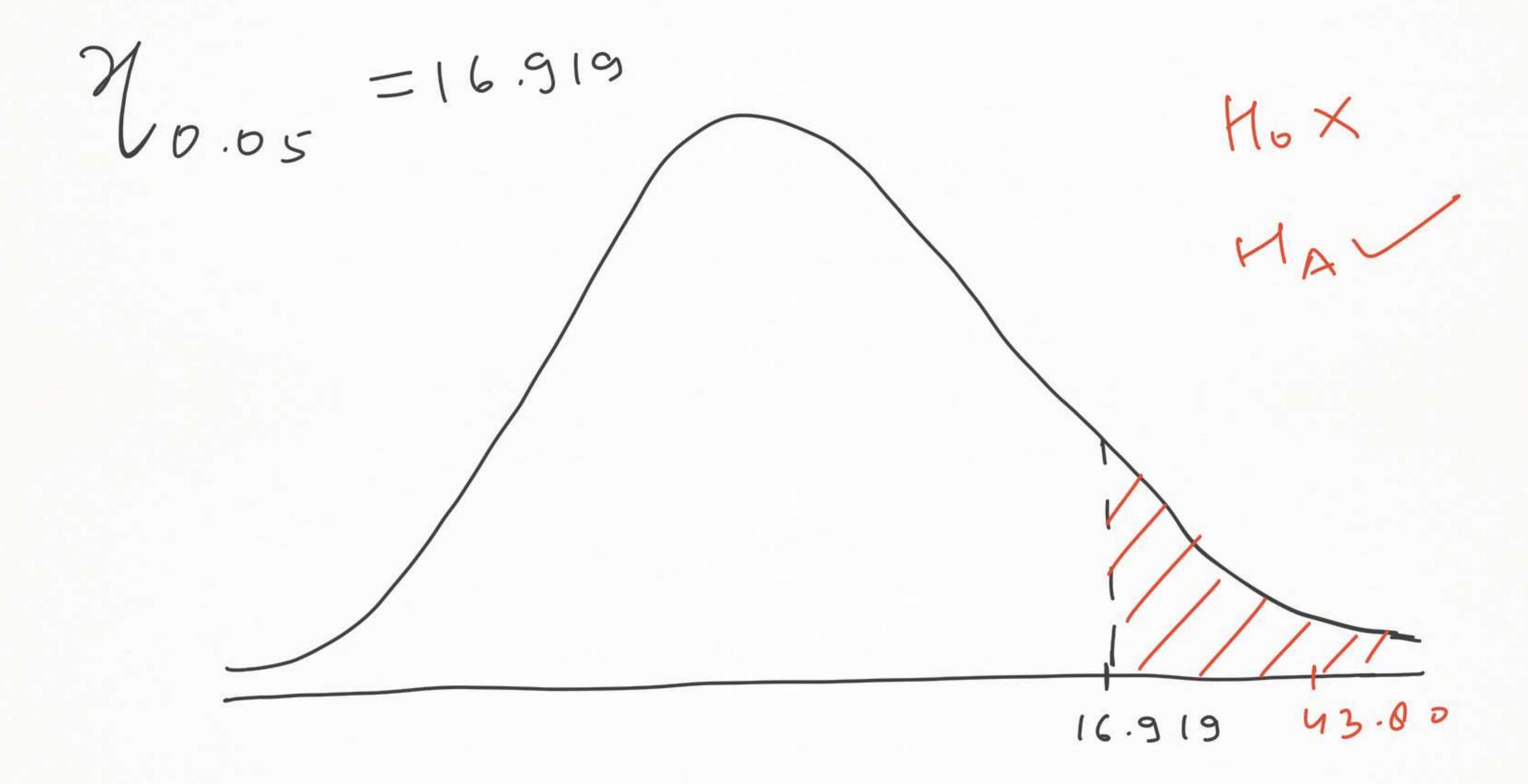
4.) ANOVA -> Used when we need to compare more than 2 samples.

Ho: Claim is correct. (5 ≤ 40)

Ma: Claim is notrovect (5 > 40)

$$\frac{\chi^{2} = (N-1)x^{2}}{\sigma^{2}} = \frac{(10-1)\times 195}{40}$$

$$= \frac{9\times 195}{40} = 43$$



#### Sampling Distribution of Mean

$$\frac{x}{1} \frac{p(x)}{1/6}$$

$$\frac{1}{1/6} \frac{1}{6}$$

$$\frac{3}{1/6} \frac{1}{6}$$

$$\frac{1}{6} \frac{1}{6$$

## Sampling Distribution of Variance

$$\sigma^{2} = \sum (x - \mu)^{2} P(x)$$

$$= (1 - 3.5)^{2} \times \frac{1}{6} + (2 - 3.5)^{2} \times \frac{1}{6} + (3 - 3.5)^{2} \times \frac{1}{6}$$

$$+ (6 - 3.5)^{2} \times \frac{1}{6}$$

$$= 2.92$$

4.0

2.5

3.0

3.5

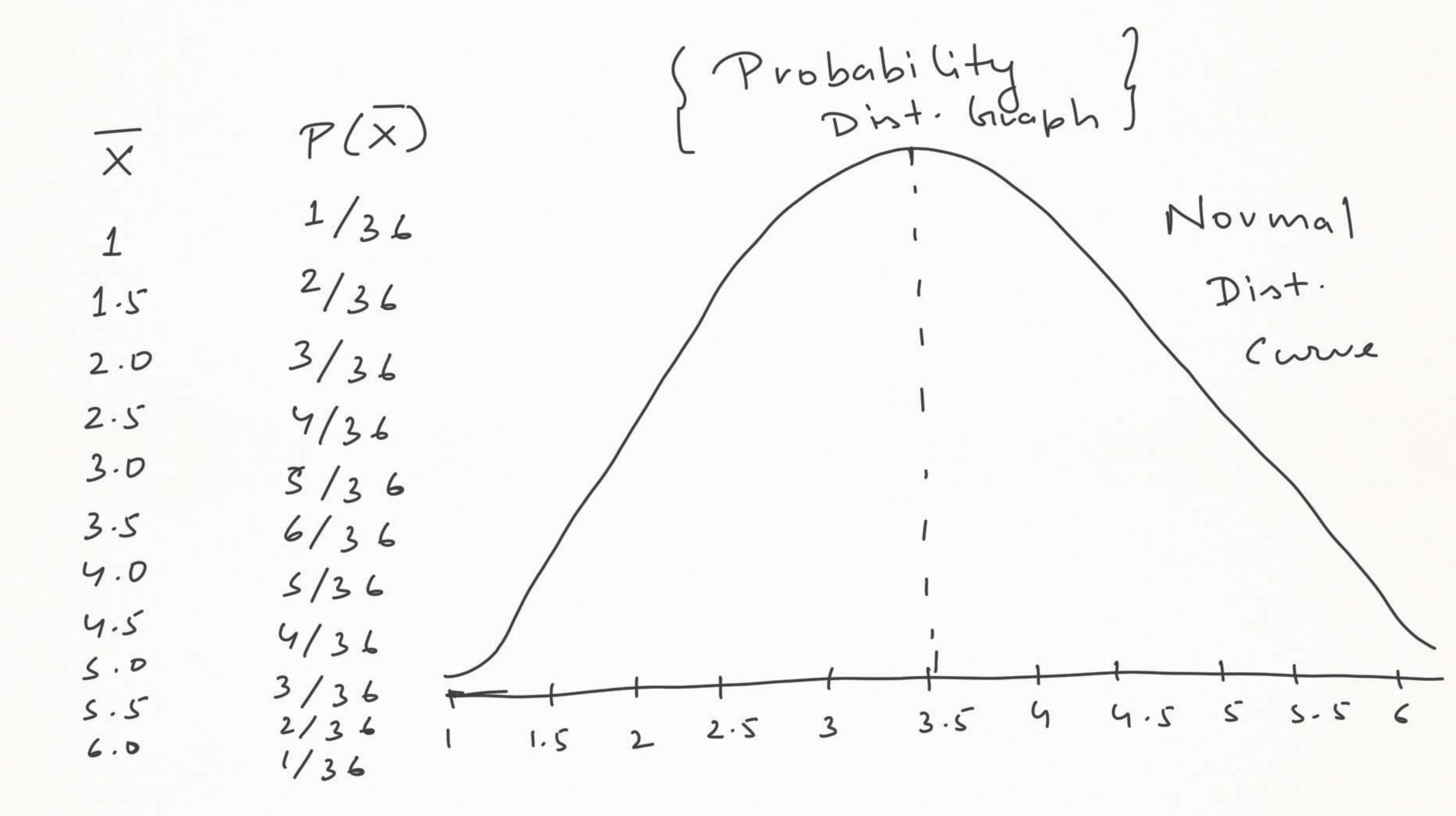
4.0

X	X
1,1	1
1,2	1.5
1,3	2.0
1,4	2.5
1,5	3.0
1,6	3.5
2,1	41.5
2,1	2.0

$$\frac{X}{2}$$
  $\frac{X}{3}$   $\frac{X}$ 

6,5 -> S.S

C, L -> L



-> Central Limit Theoven

$$C1 \longrightarrow 10, 20, 15, 25, 30 \Longrightarrow 20$$
 $C2 \longrightarrow 20, 5, 15, 25, 35 \Longrightarrow 20$ 
 $C3 \longrightarrow 10, 20, 30, 40, 10 \Longrightarrow 22$ 
 $C4 \longrightarrow 5, 15, 25, 35, 20 \Longrightarrow 20$ 
 $C5 \longrightarrow 5, 15, 50, 20, 30 \Longrightarrow 24$ 
 $C5 \longrightarrow 5, 15, 50, 20, 30 \Longrightarrow 24$ 
 $C6 \longrightarrow 6, 15, 50, 20, 30 \Longrightarrow 24$ 
 $C7 \longrightarrow 6, 15, 50, 20, 30 \Longrightarrow 24$ 
 $C9 \longrightarrow 6, 15, 50, 20, 30 \Longrightarrow 24$ 

#### Maximum Likelihood Estimation (MLE)

M

$$\int_{i=1}^{n} f(n_i, \theta)$$

Property Efficient, consistent & invariant

$$f(x, \lambda) = e^{-\lambda} \cdot \lambda$$

$$L = \frac{e^{-\lambda} \lambda^{\chi_1}}{\chi_1!} \times \frac{e^{-\lambda} \lambda^{\chi_2}}{\chi_2!} \times \frac{e^{-\lambda} \lambda^{\chi_2}}{\chi_1!} \times \frac{e^{-\lambda} \lambda^{\chi_2}}{\chi_1!}$$

$$\log L = -n\lambda + \sum_{x_i} \log \lambda - \log \pi_{x_i}!$$

$$\frac{\partial \log L}{\partial \lambda} = -n + \sum_{x_i} = 0$$

$$\frac{\sum_{x_i}}{\lambda} = n$$

$$\lambda = \sum_{x_i} = x$$

$$\hat{p} = 115 = 0.20$$
 $= 550$ 

$$z-test = \hat{p}-p$$

$$\frac{9z1-p}{21-0-20}$$

$$\frac{70-8}{\sqrt{pq}}$$

$$= \frac{0.20 - 0.17}{\sqrt{(0.20)(0.80)}}$$

$$= \frac{550}{2.4}$$

Z0.05 = 1.645 z-test = 2.4 1.645

Lincon Regression > Best fit Line 7 4-intercept Prive Avea =wx+b

$$\hat{y} = \beta_{1} \times 1 + \beta_{0}$$

$$\beta = ? (20)$$

$$\beta_{0} = ? (-56)$$

$$\hat{y} = 5.6\beta + \beta_{0}$$

$$60 = 5.6\beta + \beta_{0} - (i)$$

$$62 = 5.9\beta + \beta_{0} - (ii)$$

$$\beta_{0} = 60 - 5.6\beta$$

$$62 = 5.9\beta + 60 - 5.6\beta$$

$$2 = 0.1\beta_{2}$$

$$\beta_{0} = 20$$

$$\frac{24}{41}$$
  $\frac{4}{4}$   $\frac{$ 

For 
$$5.4$$

$$\hat{y} = 5.4 \times 20 - 56$$

$$= 108 - 56$$

$$= 52$$

$$y = 62$$

Mean Squared Error (MSE) = 
$$\frac{1}{2} (y - \hat{y})^2$$
  
=  $\frac{1}{2} (62 - 52)^2$   
=  $\frac{1}{2} \times 100 = (50)$ 

# Optimization Eqn. For LR

argmin 
$$\frac{1}{n} \sum_{i=1}^{n} (y - \hat{y})^2$$
 $\beta, \beta, \delta$ 

$$f(x) = \frac{1}{\sqrt{2\pi} \sigma} e^{-\frac{1}{2}\left(\frac{x-\mu}{\sigma}\right)^2}$$

$$M_{x}(t) = E(e^{xt}) = \int_{-\infty}^{\infty} e^{xt} f(x) dx$$

$$M_{x}(t) = \int_{-\infty}^{\infty} e^{xt} \cdot \frac{1}{\sigma \sqrt{2\pi}} e^{-\frac{1}{2}\left(\frac{x-\mu}{\sigma}\right)^{2}} dx$$

Let, 
$$\frac{x-\mu}{\sigma} = z$$

$$\frac{\partial x}{\sigma} = \partial z$$

$$\frac{\partial x}{\sigma} = \sigma \cdot \partial z$$

$$M_{x}(t) = \frac{1}{\sqrt{2\pi} \sigma} \int_{0}^{\infty} e^{(\mu + \sigma \delta)t} \cdot e^{-\frac{z^{2}}{2}} \cdot \sigma \delta z$$

$$= \frac{\delta}{\sqrt{2\pi} \sigma} \int_{0}^{\infty} e^{\mu t} + \frac{\sigma z}{\sigma t} \cdot e^{-\frac{z^{2}}{2}} \delta z$$

$$= \frac{e^{\mu t}}{\sqrt{2\pi} \sigma} \int_{0}^{\infty} e^{-\frac{y^{2}}{2}} e^{-\frac{z^{2}}{2}} \delta z$$

$$= \frac{e^{\mu t}}{\sqrt{2\pi} \sigma} \int_{0}^{\infty} e^{-\frac{y^{2}}{2}} \left(3^{2} - 2\sigma 3^{2} + (\sigma t)^{2} - (\sigma t)^{2}\right) dz$$

$$M_{x}(t) = \frac{e^{\mu t}}{\sqrt{2\pi}} \int_{-\infty}^{\infty} e^{-1/2(3-\sigma t)^{2}} e^{\sigma^{2}t^{2}/2} dz$$

$$= 2 \cdot e^{\mu t + \sigma^{2} t^{2} / 2} \int_{0}^{\infty} e^{-1 / 2} (3 - \sigma t)^{2} ds$$

Let, 
$$(3-0t)^2 = 0$$

$$(z-bt)dz = d0$$

$$dz = d0$$

$$z-bt$$

$$= d0$$

$$M(x)^{t} = \frac{2 e^{\mu t} + \sigma^{2} t^{2}/2}{\sqrt{2\pi}} \int_{0}^{\infty} \frac{e^{-\theta}}{\sqrt{2\theta}} d\theta$$

$$= \frac{e^{\mu t} + \sigma^{2} t^{2}/2}{\sqrt{\pi}} \int_{0}^{\infty} e^{-\theta} d\theta$$

$$\sqrt{\pi} \int_{0}^{\infty} e^{-\theta} d\theta$$

$$\int_{0}^{\infty} x^{N-1} \cdot e^{-x} dx = \int_{0}^{\infty}$$

$$\int_{0}^{\infty} 0^{N-1} \cdot e^{-\theta} dx = \int_{0}^{\infty}$$

$$M(x) t = \underbrace{e^{\mu t} + \sigma^{2} t^{2}/2}_{\sqrt{\pi}} \cdot \underbrace{\int_{0}^{\infty} 1}_{\sqrt{\pi}}$$

$$M_{(x)} t = e^{\mu t + \sigma^2 t^2/2} . f^{(\cdot)} [x]$$

$$= e^{\mu t + \sigma^2 t^2/2}$$

$$M_{(x)} t = e^{\mu t + \sigma^2 t^2/2}$$

$$M_{(x)} t = e^{\mu t + \sigma^2 t^2/2}$$

Mean = 
$$E(x)$$
  
 $M_{x}(t) = e^{\mu t + \sigma^{2}t^{2}/2}$   $\frac{d}{dx} \cdot e^{x}$   
 $E(x) = \frac{d}{dt} (M_{x}t)$   
 $= \frac{d}{dt} (e^{\mu t + \sigma^{2}t^{2}/2})$   
 $= \frac{d}{dt} (e^{\mu t + \sigma^{2}t^{2}/2})$ 

$$E(x) = \left[e^{\mu t + \sigma^2 t^2/2} \left(\mu + \sigma^2 t^2\right)\right]_{t=0}$$

$$= e^{\circ} \left(\mu\right)$$

$$\int E(x) = u$$

Variance = 
$$E(x^2) - (E(x))^2$$
 (u.v)

$$E(x^{2}) = \frac{\partial^{2}}{\partial t^{2}} (M(x)^{t})_{t=0}$$

$$= \frac{\partial}{\partial t} \left[ e^{\mu t + \sigma^{2} t^{2}/2} (\mu + \sigma^{2} t^{2}) \right]_{t=0}$$

$$E(x^{2}) = \left[e^{0} \cdot (u+0)^{2} + (u+\sigma^{2}t)^{2} + ut + \sigma^{2}t^{2}/2 \cdot (u+\sigma^{2}t)^{2} + ut + \sigma^{2}t^{2}/2 \cdot \sigma^{2}\right]_{t=0}$$

$$= u^{2} + \sigma^{2}$$

$$Variance = E(x^{2}) - (E(x))^{2}$$

$$= \mu^{2} + \sigma^{2} - \mu^{2} = \sigma^{2}$$

Loc1	L012	Loc3	6064	SSI	
5.7	6.2	5.4	3-7	•	
6.3	5.3	٥.٥	3-2		
	5.7	6.6	3.9		
6.1		5.6	4.0		
6.0	6.0	4,9	3.5		
5.0	5.2	5.2	3.6		
6.2	<i>y y y y y y y y y y</i>				
6.01	5.65	5-35	3-65		
	5M=	5.165			

SS2 SS3 SS4