"[Stochastic](https://en.wikipedia.org/wiki/Stochastic)" means being or having a [random variable](https://en.wikipedia.org/wiki/Random_variable). A stochastic model is a tool for estimating [probability distributions](https://en.wikipedia.org/wiki/Probability_distribution) of potential outcomes by allowing for random variation in one or more inputs over time. The random variation is usually based on fluctuations observed in historical data for a selected period using standard [time-series](https://en.wikipedia.org/wiki/Time-series) techniques. Distributions of potential outcomes are derived from a large number of [simulations](https://en.wikipedia.org/wiki/Simulation) (stochastic projections) which reflect the random variation in the input(s). Its application initially started in [physics](https://en.wikipedia.org/wiki/Physics). It is now being applied in [engineering](https://en.wikipedia.org/wiki/Engineering), [life sciences](https://en.wikipedia.org/wiki/Life_sciences), [social sciences](https://en.wikipedia.org/wiki/Social_science), and [finance](https://en.wikipedia.org/wiki/Finance).