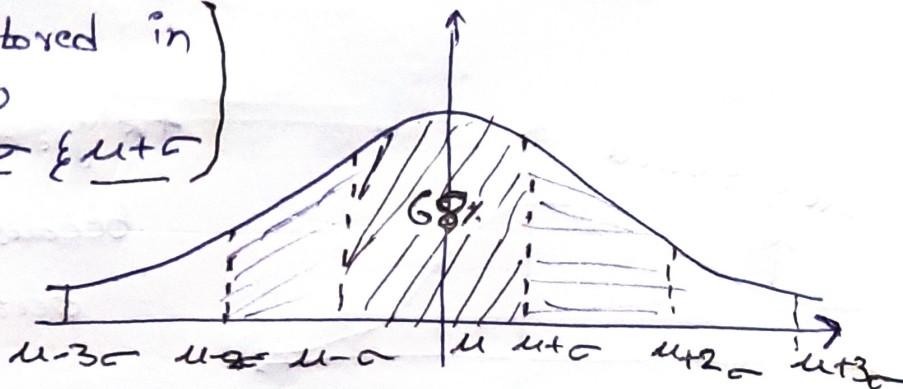


## Property of Normal distribution:-

1. Bell Shape Curve
2. Symmetrical
3. 68-95-99.7 % rule

68% of total data

→ (is stored in blw  $\underline{\mu - \sigma}$  &  $\underline{\mu + \sigma}$ )



95% →

is stored in total data

blw  ~~$\mu$~~   $\underline{\mu - 2\sigma}$  &  $\underline{\mu + 2\sigma}$

99.7% →

is stored in total data blw  $\underline{\mu - 3\sigma}$  &  $\underline{\mu + 3\sigma}$

Z-score:-  $\left(\frac{x - \mu}{\sigma} = z\right)$

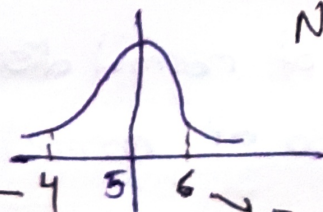
How many standard deviation away is a point from the mean

(OR)

How far the

point from mean

with respect to standard deviation.



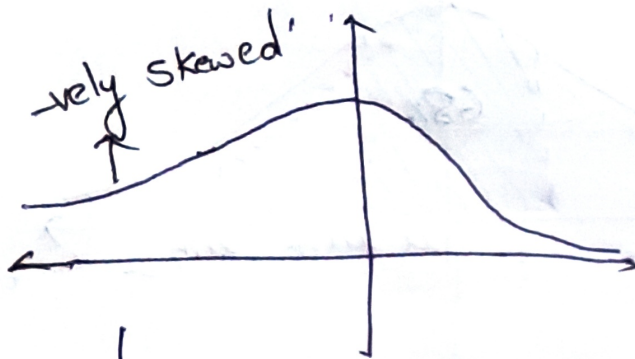
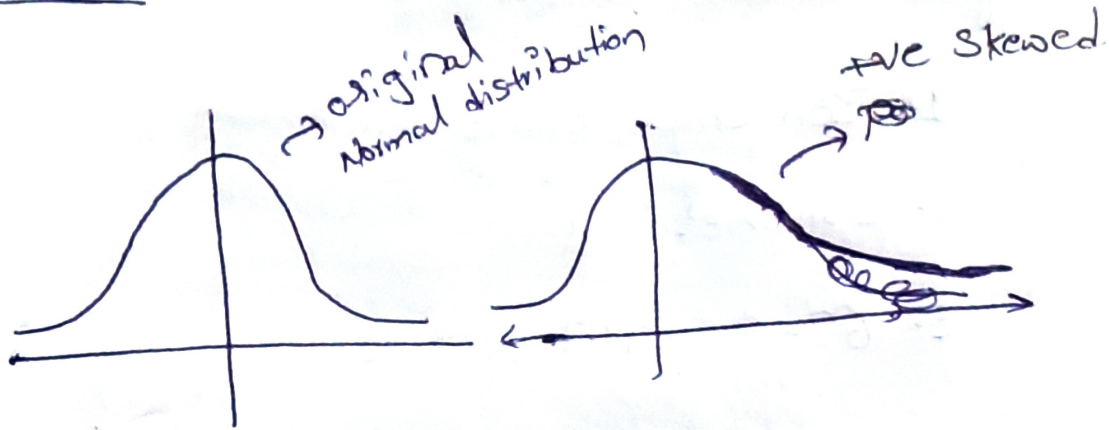
$N(5,1)$

$$\sigma^2 = 1 \Rightarrow \sigma = 1$$

$$z = \frac{4-5}{1} = -1$$

$$z = \frac{6-5}{1} = 1$$

## Skewness:-



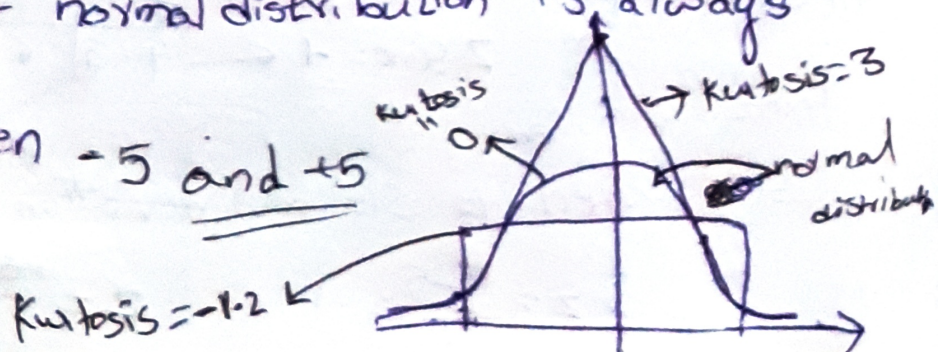
very & -very skewed are because of outliers.



This is not lognormal distribution; here the tail is more probability. In lognormal the tail is very less probability.

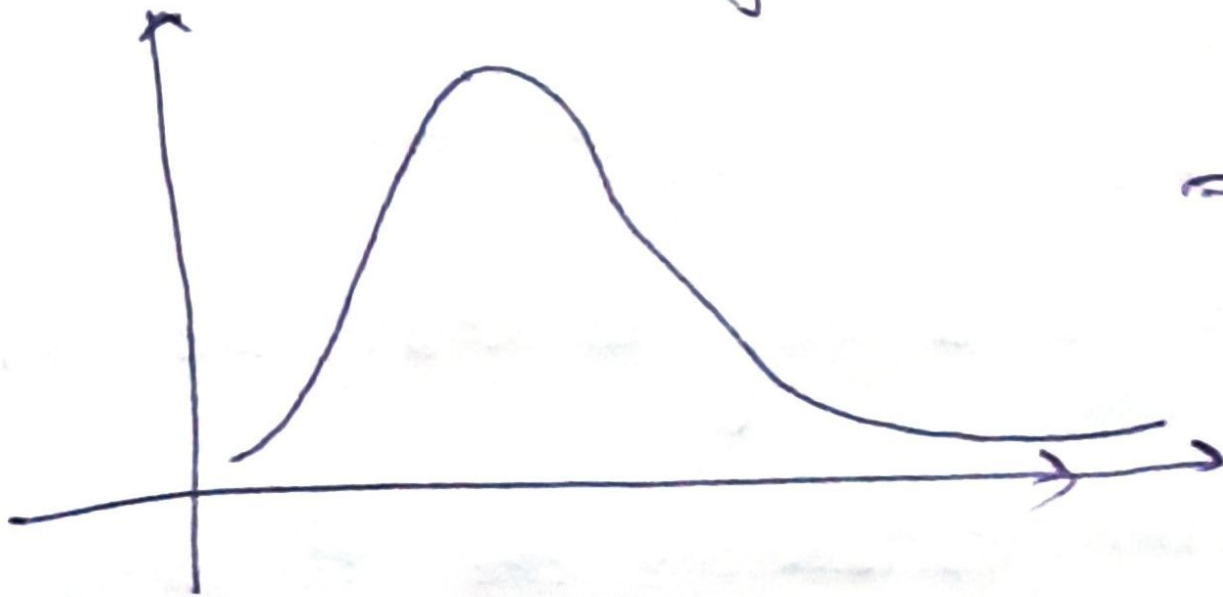
## Kurtosis:-

- ↳ Measure of peakedness
- ↳ Kurtosis of normal distribution lies b/w  $-0.5$  &  $0.5$
- ↳ Skewness of normal distribution is always lies between  $-5$  and  $+5$





This is lognormal distribution



⇒ we apply  
log transformation  
to get normal  
distribution