

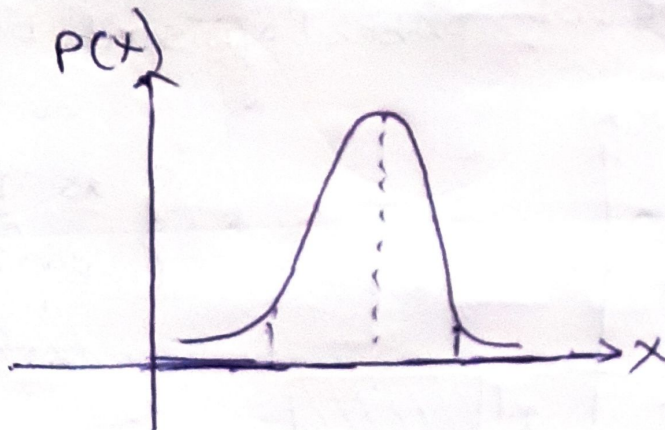
4. Normal random variable:-

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

→ Normal distribution is also known as Parametric Distribution, because it is dependent on  $\mu, \sigma^2$  (mean & variance)

$$N(\mu, \sigma^2)$$

Normal distribution

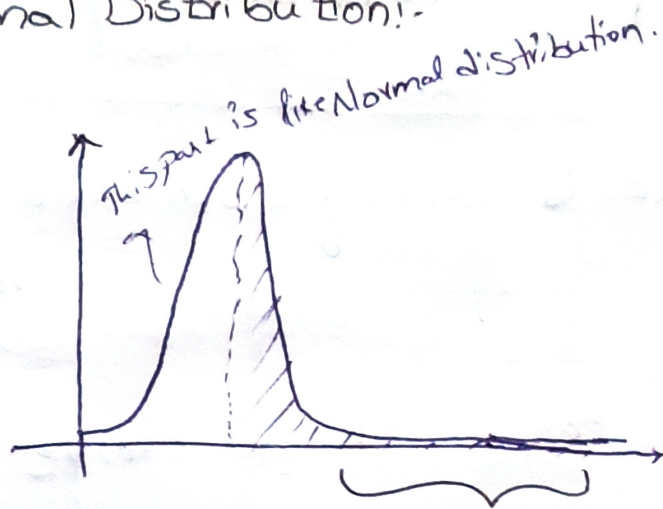


Q) Why normal distribution is bell shape.

Sol. Suppose, In an exam, one person will get high marks, & some person fails. So, both of these people have very less probability. Remaining most of the people have average marks.

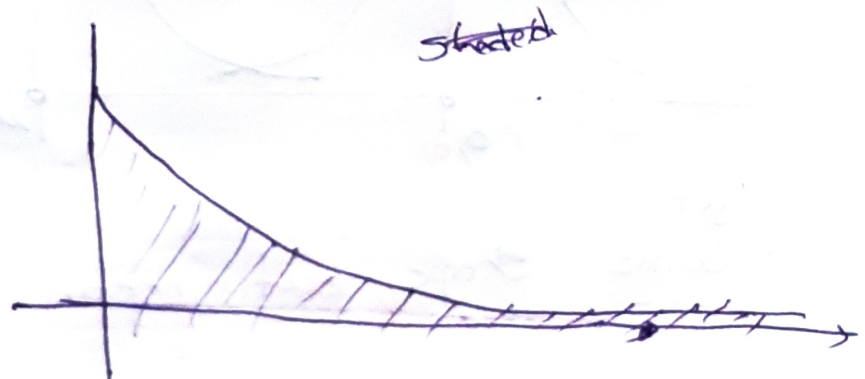
So, probability of getting average for these people is high.

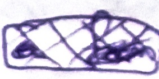
### 5 Log Normal Distribution:-



This is because of outliers.

### 6 Pareto Distribution



Ex:- income of  India; very few people have high income. Probability will be less for high income.

→ probability of getting income less is for many people. So probability will be low.

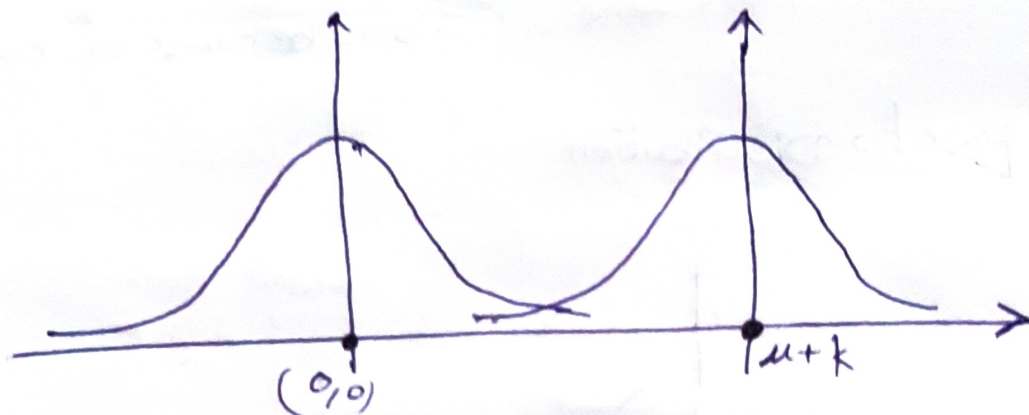


Q) what are the parameters for Normal Distribution.

$$\text{Height} \sim N(\mu, \sigma^2)$$

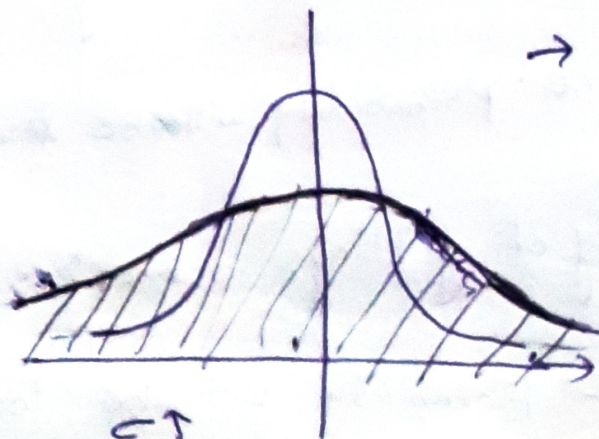
Height is normally distributed with mean  $\mu$  & Variance  $\sigma^2$

Q) what happens if we change  $\mu$  ~~( $\sigma^2$ )~~?



we will get same shape but mean is shifted to  $\mu+k$

Q) what happens if we increase  $\sigma$ ?



→ If we increase  $\sigma$ , spread will increase, so the height will decrease