

Introduction to Statistics

Md. Aminul Islam Shazid

Outline

- 1 Introduction
- 2 Some Basic Statistical Concepts
- 3 Variable and Measurement
- 4 Sources of Data

Introduction

What is Statistics?

- Collecting data
- Gaining insights from data
- Making decisions based on the insights gained from the data

Definition

Statistics can be defined as the art and science of:

- collecting, cleaning and organizing data
- summarizing and analyzing data
- presenting the summary or the analysis
- interpreting the analysis results
- gaining insights through analysis of data
- and finally, drawing valid conclusions and making sound decisions through the use of data.

Why Statistics is Necessary

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Some Basic Statistical Concepts

Population and Sample

- **Population** is the collection/set of all items or individuals of interest in a given study
- **Sample** is a *representative* portion of the population

For example:

- A study may target all the people in Bangladesh. However, it is unfeasible to collect information of everyone in the country in a timely or cost-effective way
- Therefore, data is collected from only a small portion of people from *all over the country*, this is called sampling. The individuals in a sample are usually selected randomly

Census and Survey

Parameter and Statistic

- A **parameter** is a characteristic or function of every objects or individuals in a population. For a fixed population, it is a fixed (but, usually unknown) value
- A **statistic** is a characteristic or function of every objects or individuals in a sample.
- A **statistic** is used to *estimate* a **parameter**

Parameter and Statistic (cont.)

- For a fixed population, the value of a parameter is fixed (but usually unknown)
- However, due to randomization, different samples can include different individuals from a population
- Therefore, the value of a statistic can vary across different samples

Parameter and Statistic (cont.)

For example:

- Suppose the goal is to find the average height of the students of a class
- The population average is a fixed value and it is unknown unless data is collected from everyone in the class
- If the heights of a some students are collected as a random sample, then we can estimate the population average using the sample average
- If another sample is collected, the same individuals as the first sample may not be selected, therefore, the estimate shall be different from the first estimate

Types of Statistics

- **Descriptive statistics:** Methods for organizing, summarizing and presenting data in an informative way. For example:
 - A hypothetical customer survey finds that 50% of the customers are satisfied with a product
- **Inferential statistic:** Methods for using sample data to make predictions, test hypotheses, and generalize conclusions about a larger population. For example:
 - A study finds association between smoking and cancer

Variable and Measurement

Variable

- Variable means something that can vary
- It is a characteristic that can vary across individuals or objects or items or cases of a phenomenon
- For example:
 - Age
 - Gender
 - Socioeconomic status
 - Temperature

Types of Variables

Variables:

- Qualitative
- Quantitative:
 - Discreet
 - Continuous

Qualitative vs Quantitative

- **Qualitative:** Qualitative variables describe qualities and are categorical. These are non-numerical and descriptive values that represent attributes or categories. For example:
 - Name of a person
 - Gender
 - Hair colour
- **Quantitative:** Quantitative variables measure quantities with numbers. These are numeric data that can be counted or measured, allowing for mathematical calculations. For example:
 - Height
 - Temperature
 - Number of students in a class

Discrete vs Continuous

- **Discrete:** *Countable*, usually whole numbers. Finite number of possible values. For example:
 - Number of students in a class
- **Continuous:** *Measurable*, can have fractional values. Can take values in a given range. Infinite number of possible values in any range. For example:
 - Height

Scales of Variables or Level of Measurement

Scales of variables, or levels of measurement, define how data is categorized and quantified/measured. It dictates which statistical analysis is appropriate for a variable.

There are four levels of measurement:

- Nominal
- Ordinal
- Interval
- Ratio

Nominal and ordinal are for categorical or qualitative data, and the last two are for quantitative data.

Nominal

- Nominal scale is for variables with categories with no inherent order or ranking (labels/names only)
- Example:
 - Gender
 - Religion
- Allowed operations:
 - We can only **count** the occurrence or frequency of each of the categories of a nominal variable

Ordinal

- Ordinal scale is for variables with categories that can be *ordered* or ranked, but differences between ranks are not necessarily equal or measurable
- Example:
 - Satisfaction level (low, medium, high)
 - Race position (first, second, third)
 - Socioeconomic status (lower, mid, upper)
- Allowed operations:
 - We can **count** the frequency of each of the categories of an ordinal variable as well as **order** the categories

Interval

- It is for numerical variables. The values are ordered, with equal, meaningful *intervals* between values
- There is no true zero point
- Example:
 - Temperature (0°C does not imply the lack of heat or thermal energy)
 - Years on a Calendar
- Since there is no true zero point, taking ratio of two values of an interval scale variable is meaningless
- Allowed operations:
 - We can **add**, **subtract** different values of an interval scale variable

Ratio

- An ratio scale variable includes all properties of interval scales, plus a true zero point, allowing for meaningful ratios
- Example:
 - Height
 - Weight
 - Income
- Allowed operations:
 - All arithmetic operations (addition, subtraction, multiplication, division, ratios)

Sources of Data

Data

- Data in statistics consists of numerical or qualitative facts collected for analysis
- They are recorded observations about individuals, objects, or events
- Data arise from measurement, counting, surveys, or experiments
- Each observation consists of one or more variables
- Usually presented in a tabular form, can also be in other forms (such as images, audio, video etc.)
- Statistics uses data to summarize information and draw conclusions about a larger context

Sources of Data

- Primary data
- Secondary data
- Tertiary data

Primary Data

Secondary Data

Other Ways to Classify Data

- Observational data
- Experimental data
- Administrative records/registers
- Publications and reports

Questions?
