

Essentials of Applied Data Analysis

IPSA-USP Summer School 2017

Handout - Discrete Random Variables

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Building a fake dataset of Fakeland citizens

Fakeland is a very stable democracy that holds presidential elections every 4 years. We are going to build the fake dataset of Fakeland individual citizens with information about their basic characteristics and political opinions/positions. We are going to do it in order to explore types of variables, to understand the link between probability rules and data analysis and to learn about random variables.

The variables that our dataset will contain are:

- *age*: age
- *sex*: sex
- *educ*: educational level
- *income*: montly income measured in fake money (FM\$)
- *savings*: total fake money (FM\$) in savings account
- *marrige*: marriage status
- *kids*: number of children
- *party*: party affiliation

- *turnout*: intention to vote in the next election
- *economy*: opinion about the national economy performance
- *incumbent*: opinion about the incumbent president performance
- *candidate*: candidate of preference

Types of Variables

First, let's remember the types of variables:

A) Discrete - values are countable, even if infinite.

- Nominal - can be counted, but not ordered
- Ordinal - can be counted and ordered
- Integer - can be counted, ordered and are distance among categories are mathematically meaningful (yes, numbers with no decimals).

B) Continuous - Infinite set of values. Not countable (yes, whatever number there is, including $\sqrt{2}$ and π).

Types of Variables - Exercise

Look at the fake dataset you have in hands. Can you classify the variables by type?

Drawing data from fake distributions

To build the dataset one could simply type values in a spreadsheet. However, there is a more elegant strategy. Instead of filling a dataset randomly, I could determine, as if I were God, the distributions of each variable and sample from that distribution. In fact, the fake dataset you have in hands was built this way using *R Statistical Package*. You can find the code that builds it in the course material.

In the next handout we will explore distributions of discrete and continuous random variables using our fake dataset. Keep in mind that the data in the sample comes from a “True” distribution that I invented.