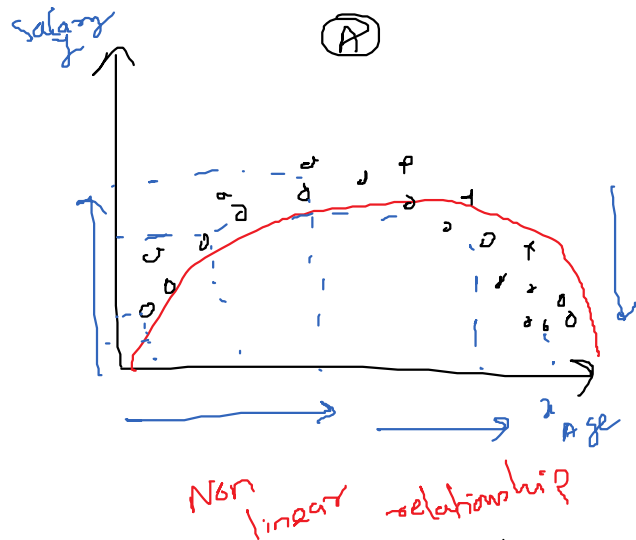
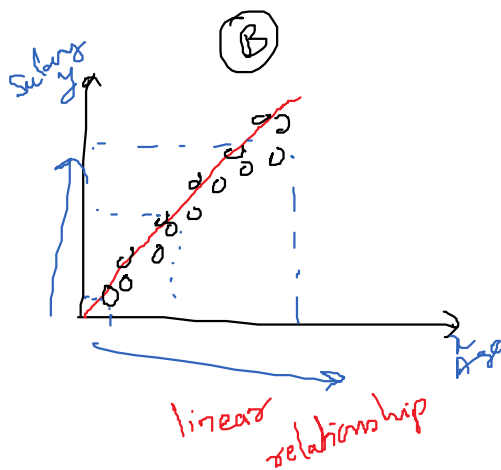


Correlation Analysis

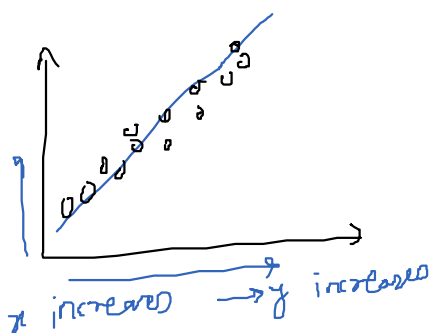
20 April 2022 12:34



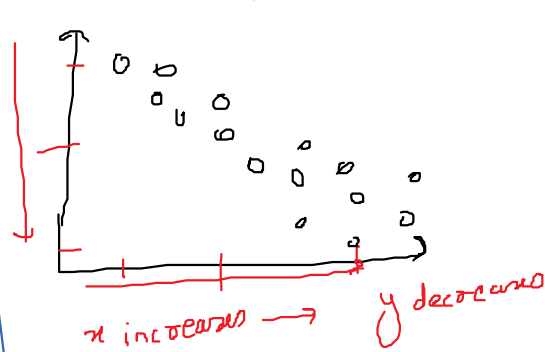
Correlation (r) is measure of linear relation b/w x and y

$$Corr(x, y) = \frac{\frac{1}{n} \sum (x - \bar{x}) \cdot (y - \bar{y})}{\sigma_x \cdot \sigma_y}$$

$$= -1 \text{ to } +1$$



corr(x, y) = +ve
 corr(x, y) > +0.5 strong / good correlation
 corr(x, y) is b/w +0.1 to +0.5 weak / slightly good



corr(x, y) = -ve
 corr(x, y) < -0.5 strong / good
 is b/w -0.1 to -0.5 weak / slightly good

