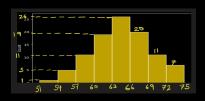


## Histogram

- Histogram turns raw numbers into a shape that helps us "see" the data. It is tool to perform univariate analysis
- A histogram groups data into bins.
- The height of each bar shows frequency or density.
- We use histogram
  - to check frequency or count of data between some range (say from 60 65)
  - to identify if data distribution is \*\*normal, skewed, uniform, bimodal,\*\* etc. In other words, histogram shows how data values are spread across different intervals (bins).
  - to compare multiple groups (e.g. scores of students from 2 schools)
  - to compare variance of 2 data (e.g. to find which of 2 stocks is more volatile (riskier))
  - to detect outliers or anomalies (for e.g. to detect fraud in banks)



# Histogram

72, 72, 72, 72, 72, <u>**75**</u>

Step1) First decide how many bins.

I want 8 bins. So, bin width

= (max-min) / bins

= (75 - 51) / 8 = 3

Step2) Calculate bin edges:

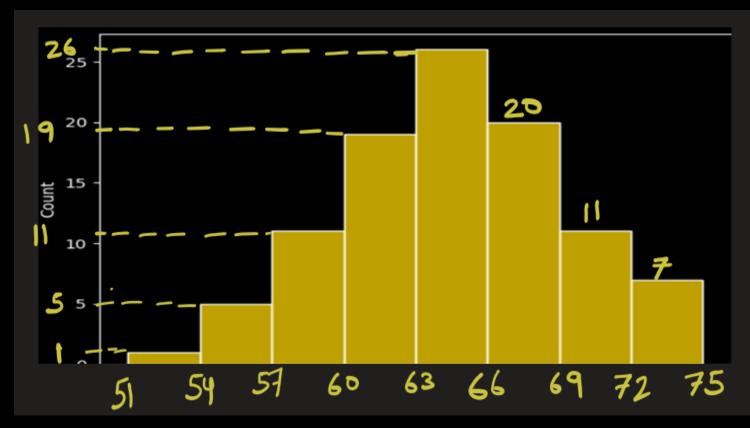
[51, 54, 57, 60, 63, 66, 69, 72, 75]

The bins are [51,54), [54,57), [57,60),...

Step3) From the data, find bin counts:

bins= [51,54), [54,57), [57,60), ...

counts= [ 1, 5, 11, 19, 26, 20, 11, 7]







# Uses of histogram

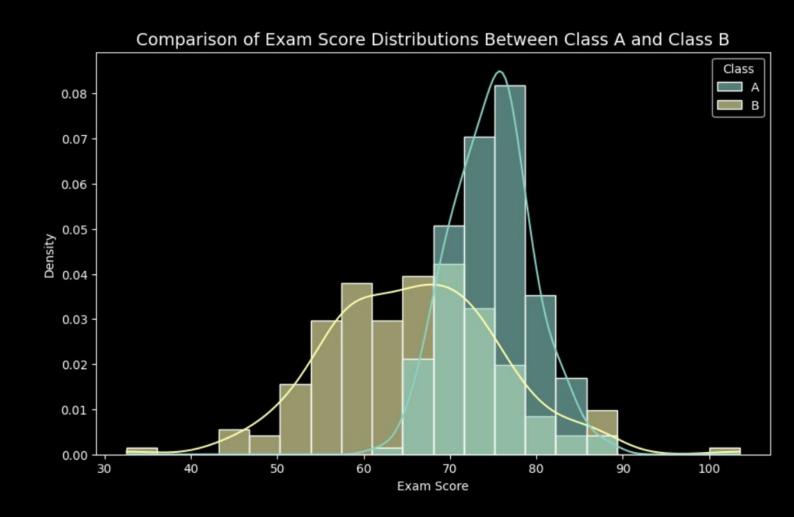
# Histogram helps in identifying type of distribution



# Histogram helps to compare multiple groups

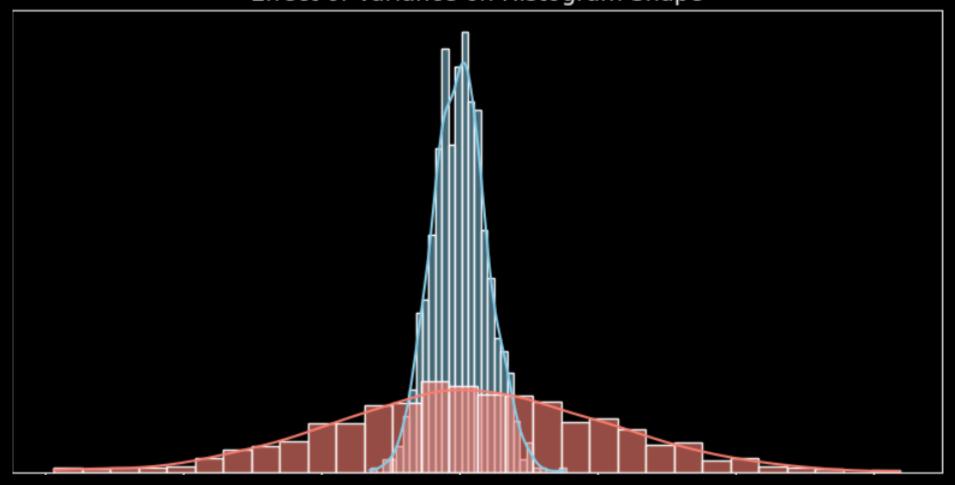
For example, on right is the histogram plot of exam score for class A and class B.

- Class A (blue curve) is centered around
  75 and tightly grouped → highperforming, consistent students.
- Class B (orange curve) is centered around 65 and more spread → lower mean, higher variation.
- Both KDE curves make the comparison smooth and intuitive.



## Histogram allows you to compare variance of 2 data





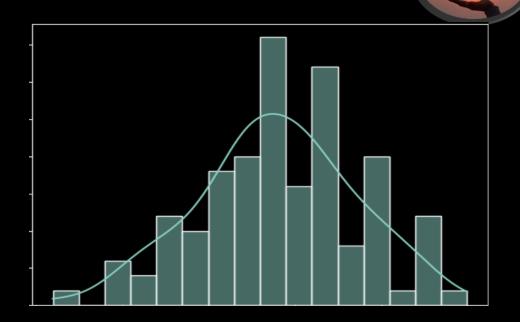
A narrow, tall histogram → low variance (data tightly clustered around mean) A wide, flat histogram  $\rightarrow$  high variance (data widely spread around mean) The red curve has more variance

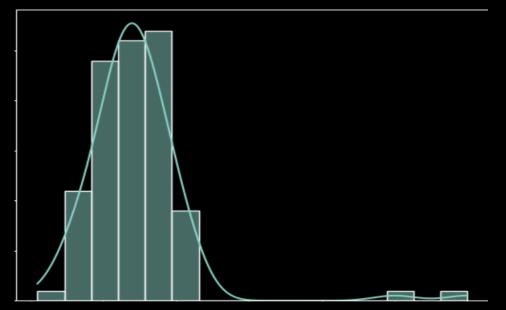
### Histogram help to detect Outliers or Anomalies

#### Data

Now modify last 2 elements with outliers and plot the histogram.

#### Data with outliers









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