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Science, Statistics

Business Statistics in Business What is statistics? On page 38, Moss gives three definitions of the term statistics. He first describes it as a science which shows how the probability is assigned an event on basis of experiments. The second definition is that statistics is a science which helps in data observation and making of presumptions of the random mechanisms which generate data (2014). The other definition is that statistics is a science promoting the estimation of probability distribution for the random variables when there are several observations are repeatedly retrieved from a similar random variable (2014). On page 3 of Jain and Aggarwal's book, the term statistics has two definitions. The first definition shows that statistics in the plural sense shows it is the numerical data of the facts that relate to different fields of enquiry such as population and prices (2007). In a singular sense, Jain and Aggarwal (2007) define statistics as a science that deals with different methods of data collection, presentation and interpretation among other techniques.

Different Types/ Levels of Statistics

According to Jain and Aggarwal (2007), there are two types and levels of statistics. The first is known as descriptive statistics where the techniques for data collection and organization are used with an aim of providing more details about the data. Under the descriptive type of data, decisions or conclusions are not made. On page 5 of Moss's book, he cites the second type of statistics as the inferential statistics (2014). This type of statistics involves estimating the characteristic of decision-making that involves a population, based on sample results (Moss, 2014). Under this kind of statistics, there is an estimation of an unknown parameter of the population

to check the basis of the sample and to test if the sample data has enough evidence to show the population parameter (Jain & Aggarwal, 2007).

Statistics and Decision-Making in Business World

In business, the knowledge of statistics is extremely crucial. For a business person with the knowledge of statistics, it becomes easy to make estimates that are related to supply and demand. It becomes easier to make the right decisions when it comes to seasonal changes, the tastes of consumers in the market, the customs and the market's trade cycle (Jain & Aggarwal, 2007). For example, a business person with knowledge of statistics is in a better position to know a market's supply and demand of goods and how such supply or demand might become affected by changes in prices or the policies that the government sets. As noted in Jain and Aggarwal's book, the making of decisions in businesses would not exists if there was no aid of statistical methods (2007).

Three Problem Situations where Statistics is Useful

Statistics is useful when it comes to solving political problems of a country. For example, in a country where the opposition parties want to win an election, statistics is useful in aiding these parties to make imperative criticisms of the activities government is carrying out. When the opposition leaders possess such statistical knowledge, they are in better position to make the government revise its policies pertaining to public debt issues, unemployment and issues related to imports and exports.

In class, the knowledge of statistics makes it easier for me to compute percentages given in assignments. It is also easy to compute personal percentages when it comes to my savings and determining the different

investment options that are available for me. In the education sector, the shortcomings experienced by schools are determined by using statistics, because the examination results of students provides the education board with the right information of arising issues.

When it comes to society issues, statistics is useful in solving what social reformers see as social evils such as gambling and alcoholism. Through the knowledge of statistics it becomes easy for the society to know the gravity of these problems and what to do to avoid them or discourage their occurrence.

References

Jain, T., & Aggarwal, S. (2007). Business mathematics and statistics. New Delhi: Vk Global Publications Pvt Ltd.

Moss, C. (2014). Mathematical statistics for applied econometrics. Boca Raton, FL: CRC Press.