BASIC TOOLS FOR ECONOMIC ANALYSIS

Every occupation has its tools. In economics uses various tools.

The following basic tools used in economics include

1. Data

2. Table

3. Arithmetic mean

4. Median

5. Mode

6. Measure of dispersion

1. Data : These are raw information that are not yet organized or

   processed.

2. Table : is system arrangement of data in row and columns which make it easy for further finding to take place

3. Mean: this summation of any set of scores divided by the number of items in the set series. It is thus the arithmetic average of a given set of score.

25,27,2428,21,23,20

$\underline{20+21+23+24+25+27+28}$ =168/7=24

    7

Median : is the middle number of a set of numbers arranged in ascending or descending order . if even , add the two middle numbers and divide the sum by two.

For example find the median of ,10,17,5,18,2 17 ,19 and 13

13+17/2=30/2=15

If it is odd the formula is picking the most central figure when arranged in ascending or descending order.

For example 2, 28, 31 median = 28

Mode: is the score that occurs most frequently in a set of score.

For example 3,4,5,6,3,7,4,8,3,9,10 mode = 3

Range : this is the difference between the highest and the lowest

2,56 ,9 ,3

Range = 56-2= 54

Mean deviation is calculated by getting the mean and subtracting it by each number (score or data given)

25,27,2428,21,23,20

20+21+23+24+25+27+28 =168/7=24

Subtract each score by the mean and raise the answer to the power of two. Then you sum all.

Variance this is the square root of standard deviation

Standard deviation in is the square root of variance