## STATISTICS IN ECONOMICS

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### ORIGIN AND DEVELOPMENT OF STATISTICS:

*Today statistics or more specifically statistical method is used extensively in almost all phases of human endeavor.*

*In ancient times, it dealt with the affairs of the state, like collection of information or data regretting population and property or wealth of the state so as to sub-serve political purposes of rulers.*

*Today its influence has spread to various areas such as agriculture, business, economics, medicine, biology, education, electronics, sociology, psychology, political Science and many other branches of science and technology.*

*The origin of the word   statistics may be traced to the Latin word status or the Italian word ' Statista from or the German word ' Statistics ' Meaning political state.*

*The history of statistics can be traced back at least to the biblical times in ancient Egypt, Babylon, and Rome.*

**KEYWORDS:** *Today statistics , sociology, psychology, political Science.*

### Egypt (3,500 B. C).
Used statistics in the form of
. Recording the number of sheep or cattle owned.
.The amount of grain produced
. The number of people living in a particular city.

### Babylonia Government (3800) B C
.The Number of men under a king 's rule
. The vast territory that the king occupied

### Roman Empire (700)BC
Used Statistics by
Conducting registration to record population for the purpose of collecting tanes.

### Modern Times :
Statistical Methods have been used to record and predict such things
. Birth and death rates
. Employment and inflation rates
. Sport Achievements
. Other economic and social trends

### Definition of Statistics in Singular Sense :
It Means Statistical Methods Such as Collection. Classification, Presentation analysis and inter-pretention of data.

### Definition of Statistics in plural sense:
It means aggregate of facts affected to market extent of multiplicity of Censes numerically expressed, enumerated or estimated according to reasonable

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standard of accuracy collected in a systematic manners for predetermined purpose and placed in relation to each other.

## Importance of Statistics in Economics:
1) It enables an economics to present economic facts in a precise and definite form.
2) Helps in condensing mass data into a few numerical Measures.
3) Statistics is used in finding relationship between different economic factors.
4) Economic forecasting through Statistical Studies.
5) Help to analyze the performance of polices applied before.
6) Helpful to formulate appropriate policies  that solve economic policies problems.

## Use of Statistics in Economics:
Statistics is a data interpretation tool used for collecting , classifying and analyzing data. It is an indispensable tool for an economist to understand various business and economics problems and formulate policies to tackle with them.

There are many uses of statistics in economics as we all know that economics us as service subject there is close relationship between statistics and economics.

How statistics is used in Economics:
1. For computing data analysis regarding demand and supply of different products in the market.
2. Determining national income of any country as well as GDP, GNP and per capital income of any particular country.
3. For Calculating poverty inequality and unemployment.
4. Statistics methods help in formulating appropriate economic policies.
5. Statistics methods help not only in formulating appropriate economic policies but also in evaluating their effects.
6. Statistics is very helpful in knowing the standard of living and taxable capacity of the people.
7. Statistics methods help in solving various economic problems such as poverty unemployment etc.
8. How the national income is to be calculated and how it is to be distributed there are the questions which cannot be answered without statistics.

## Functions of Statistics :
1) Statistics Simplified Complexities.
2) Statistics is helpful in formulation of policies.
3) Statistics is helpful in economic forecasting.
4) Statistics expresses facts in numbers.
5) Statistics presents data in condensed form.

## Characteristics of Statistics:
1) Statistics is a collection of data.
2) Its is also classification and presentation of data
3) It  makes an analysis of data
4) It is also Interpretation of data
5) Statistics are affected by a number of factors for examples; sale of products depends on number of factors such as price, quality competition, the income of the consumer and so on.
6) Statistics must be reasonably accurate wrong figures. If analysis will lead to erroneous conclusions.
7) Statistics must be collected in a systematic manner. If data are collected in a haphazard manner, they will not be reliable and will lead to misleading Conclusions.
8) Collected in a systematic manner for a pre-determined purpose.

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### Limitations of Statistics:

1) Statistics is no doubt a very useful tool in the hands of those who understand it, know its proper handling and a have  good intention
   However as a tool as well as Science Statistics suffers from certain limitation.

1. Statistics deals with aggregate of facts and not with individual facts.
2. Statistics deals only with quantitative data and ignores qualitative data.
3. Statistical results are true only on an average. The results obtained in any standardized analysis may not be accurate.
4. Statistics may be misused. A person can draw any type of conclusion according to his or her desire to mislead the common man.

### Thus statistics may lead to following  Conclusions.

In modern day statistics lot of information is used we try to find model for the data. Such models help in predicting future values which are called projected or estimated values. These estimated values help to a very large extent in planning of different economics activities and also give scientific solution to the problem at hand.

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