

Explain the objectives of Statistical Average. What are the requisites of a good average ?

Answer:

In statistics, an average is defined as the number that measures the central tendency of a given set of numbers.

The objectives of Statistical Average can be:

1. To facilitate comparison. For instance, measures of central value, by reducing the mass of data to one single figure, enable comparison to be made. Comparison can be made either at a point of time or over a period of time.
2. To formulate policies or to help in decision making. Government organizations can use the average in the formulation of various policy measures. For instance, when the government finds that there is a fear of low product of sugar, it can formulate various policies to compensate the same.
3. To use it for the short description. Averages help to present the raw data in a brief a systematic manner.
4. To know about universe from a sample.

Following are the requisites of a good average:

1. It should be easy to understand and locate. It is desirable that an average is such that can be readily understood; otherwise, its use is bound to be very limited.
2. It should be simple to compute. Not only an average should be easy to understand but also it should be simple to compute so that it can be used widely.
3. It should not be affected much by extreme observations. Although each and every item should influence the value of the average, none of the items should influence it unduly.
4. It should be based on all the items or observations.
5. It should be rigidly defined so that the conclusion remains uniform irrespective of enumeration by any person.
6. It should be suitable for mathematical treatment. We should prefer to have an average that could be used for further statistical computations so that its utility is enhanced.
7. It should be least affected by fluctuations of sampling.
8. I should be such that it presents maximum features of a statistical series.
9. It should be in terms of absolute value (it shouldn't be expressed in terms of percentage or any other relative measurement).