

Conditions

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

Solution

The basic purpose of the statistical analysis is to determine the value which represents the whole series. This value is termed as central value or an average. In other words, average is a statistical measure representing a group of individual values in simple and comprehensive manner.

Definitions

According to Clark, "Average is an attempt to find one single figure describe whole of figures."

According to Croxton and Cowdon, "An average value is a single value wit" the range of the data that is used to represent all of the values in the series. Since an average is somewhere within the range of the data, it is also call the measure of central value."

According to Leabo, "The average is sometimes described as a number which is typical of the whole group."

Objectives/Functions of Averages

Averages occupy a prime place in the theory of statistical methods. That is why Bowley remarked, "Statistics is a science of averages." The following are the m ' objectives of an average:

1. Facilitates Comparison:

The foremost purpose of average is that it facilitates comparison. For instance, a comparison of the production of jute in Maharashtra a Punjab shows that production of jute in Maharashtra is much more as compared Punjab.

2. Formulation of Policies:

Averages are of great use in the formulation of various policy measures. For instance, when the Govt, finds that there is a fear of low product of sugar, it can formulate various policies to compensate the same.

3. Short Description:

Averages help to present the raw data in a brief a systematic manner.

4. Representation of Universe:

Average represents universe. According conclusions can be drawn in respect of the universe as a whole.