

# NCERT Solutions for Class 11 Economics Statistics

## for Economics Chapter 6

### Measures of Dispersion

Exercise : Solutions of Questions on Page Number : 89

**Q1 :**

**A measure of dispersion is a good supplement to the central value in understanding a frequency distribution. Comment.**

**Answer :**

The study of the averages is only one sided distribution story. In order to understand the frequency distribution fully, it is essential to study the variability of the observations. The average measures center of the data whereas the quantum of the variation is measured by the measures of dispersion like range, quartile deviation, mean deviation and Standard Deviation. For example, if a country has very high income group people and very low income group people, then we can say that the country has large income disparity.

**Q2 :**

**Which measure of dispersion is the best and how?**

**Answer :**

Standard Deviation is the best measure of dispersion as it satisfies the most essentials of the good measure of dispersion. The following points make Standard Deviation the best measure of dispersion:

1. Most of the statistical theory is based on Standard Deviation. It helps to make comparison between variability of two or more sets of data. Also, Standard Deviation helps in testing the significance of random samples and in regression and correlation analysis.
2. It is based on the values of all the observations. In other words, Standard Deviation makes use of every item in a particular distribution.
3. Standard Deviation has a precise value and is a well-defined and definite measure of dispersion. That is, it is rigidly defined.
4. It is independent of the origin.
5. It is widely used measure of dispersion as all data distribution is nearer to the normal distribution.
6. It enables algebraic treatment. It has correct mathematical processes in comparison to range, quartile deviation and mean deviation.

**Q3 :**

**Some measures of dispersion depend upon the spread of values whereas some are estimated on the basis of the variation of values from a central value. Do you agree?**

**Answer :**

Yes, it is true that some measures of dispersion depend upon the spread of values, whereas some calculate the variation of values from the central value. The spread of values is determined by the absolute measures of dispersion like Range, Quartile Mean Deviation, and Standard Deviation. These measures express dispersion in terms of original unit of the series and it cannot be used for the comparison of statistical data having different units. On the other hand, the relative measures of the dispersion calculate the variability of the values from a central value. The relative measure includes coefficient of Range, Mean Deviation and Variation. It is used when the comparison has to be made between two statistical sets. These measures are free from any units.

**Q4 :**

In a town, 25% of the persons earned more than Rs 45,000 whereas 75% earned more than 18,000. Calculate the absolute and relative values of dispersion.

**Answer :**

### **Absolute Value of Dispersion**

$$\begin{aligned}\text{Range} &= L - S \\ &= 45,000 - 18,000 = \text{Rs } 27,000\end{aligned}$$

### **Relative Value of Dispersion**

$$\begin{aligned}\text{Coefficient of Range} &= \frac{L - S}{L + S} \\ &= \frac{45000 - 18000}{45000 + 18000} \\ &= 0.428\end{aligned}$$

**Q5 :**

The yield of wheat and rice per acre for 10 districts of a state is as under:

|          |   |   |   |   |   |
|----------|---|---|---|---|---|
| District | 1 | 2 | 3 | 4 | 5 |
|----------|---|---|---|---|---|

**Answer :**

#### **(i) Range**

##### **a. Wheat**

Highest value of distribution ( $H$ ) = 25

Lowest value of distribution ( $L$ ) = 9

$$\begin{aligned}\text{Range} &= H - L \\ &= 25 - 9 \\ &= 16\end{aligned}$$

##### **b. Rice**

Highest value of distribution ( $H$ ) = 34

Lowest value of distribution ( $L$ ) = 12

$$\begin{aligned}\text{Range} &= H - L \\ &= 34 - 12 \\ &= 22\end{aligned}$$

#### **(ii) Quartile Deviation**

##### **a. Wheat**

Arranging the production of wheat in increasing order

9, 10, 10, 12, 15, 16, 18, 19, 21, 25

$$\begin{aligned}
Q_1 &= \frac{N+1}{4} \text{th item} \\
&= \frac{10+1}{4} \text{th item} \\
&= \frac{11}{4} \text{th item} \\
&= 2.75^{\text{th}} \text{ item} \\
&= \text{Size of 2th item} + 0.75 (\text{size of 3}^{\text{rd}} \text{ item} - \text{size of 2}^{\text{nd}} \text{ item}) \\
&= 10 + 0.75 (10 - 10) \\
&= 10 + 0.75 \times 0 \\
&= 10 \\
Q_3 &= \frac{3(N+1)}{4} \text{th item} \\
&= \frac{3(10+1)}{4} \text{th item} \\
&= \frac{33}{4} \text{th item} \\
&= 8.25^{\text{th}} \text{ item} \\
&= \text{Size of 8}^{\text{th}} \text{ item} + 0.25 (\text{size of 9}^{\text{th}} \text{ item} - \text{size of 8}^{\text{th}} \text{ item}) \\
&= 19 + 0.25 (21 - 19) \\
&= 19 + 0.25 \times 2 \\
&= 19 + 0.50 = 19.5
\end{aligned}$$

**Q6 :**

In the previous question, calculate the relative measures of variation and indicate the value which, in your opinion, is more reliable.

**Answer :**

**(i) Coefficient of Range**

**a) Wheat**

$$\begin{aligned}
\text{Coefficient of Range} &= \frac{H - L}{H + L} \\
&= \frac{25 - 9}{25 + 9} \\
&= \frac{16}{34} = 0.47
\end{aligned}$$

**b) Rice**

$$\text{Coefficient of Range} = \frac{H - L}{H + L}$$

$$= \frac{34 - 12}{34 + 12}$$

$$= \frac{22}{46} = 0.48$$

## (ii) Coefficient of Quartile Deviation

### a) Wheat

$$\text{Coefficient of Quartile Deviation} = \frac{Q_3 - Q_1}{Q_3 + Q_1}$$

$$= \frac{19.50 - 10}{19.50 + 10}$$

$$= 0.32$$

### b) Rice

$$Q_1 = 12, Q_3 = 24.5$$

$$\text{Coefficient of Quartile Deviation} = \frac{Q_3 - Q_1}{Q_3 + Q_1}$$

$$= \frac{24.5 - 12}{24.5 + 12}$$

$$= 0.34$$

## (iii) Coefficient of Mean Deviation from mean

### a) Wheat

$$\text{Coefficient of } MD_x = \frac{MD_x}{\bar{X}}$$

$$= \frac{4.3}{15.5}$$

$$= 0.28$$

$$\text{Coefficient of } MD_M = \frac{MD_M}{M}$$

$$= \frac{4.3}{15} = 0.29$$

### b) Rice

$$\text{Coefficient of } MD_x = \frac{MD_x}{\bar{X}}$$

$$= \frac{6}{19.5}$$

$$= 0.31$$

$$\text{Coefficient of } MD_M = \frac{MD_M}{M}$$

$$= \frac{5.7}{18} = 0.32$$

#### (iv) Coefficient of Variation

##### a) Wheat

Q7 :

A batsman is to be selected for a cricket team. The choice is between X and Y on the basis of their scores in five previous tests which are:

|   |    |    |    |    |
|---|----|----|----|----|
| X | 25 | 85 | 40 | 80 |
|---|----|----|----|----|

Answer :

##### Batsman X

| $X$ | $X - \bar{X} = x$<br>$X - 70$ | $x^2$ |
|-----|-------------------------------|-------|
| 25  | - 45                          | 2025  |
| 85  | + 15                          | 225   |
| 40  | - 30                          |       |

Q8 :

To check the quality of two brands of light bulbs, their life in burning hours was estimated as under for 100 bulbs of each brand.

| <i>Life</i><br><i>(in hrs)</i> | <i>No. of bulbs</i> |
|--------------------------------|---------------------|
|--------------------------------|---------------------|

Answer :

##### For Brand A

| Life<br>(in hours) | No. of<br>bulbs | $M$ | $A =$<br>125 | $d' = \frac{x - A}{i}$ | $d'^2$ | $fd'$ | $fd'^2$ |
|--------------------|-----------------|-----|--------------|------------------------|--------|-------|---------|
|--------------------|-----------------|-----|--------------|------------------------|--------|-------|---------|

Q9 :

Average daily wage of 50 workers of a factory was Rs 200 with a Standard Deviation of Rs 40. Each worker is given a raise of Rs 20. What is the new average daily wage and Standard Deviation? Have the wages become more or less uniform?

Answer :

$$N = 50$$

$$\bar{X} = 200$$

$$\sigma = 40$$

$$\text{Average Wage} = \frac{\text{Total Wages}}{\text{No. of Workers}}$$

$$200 = \frac{\text{Total Wages}}{50}$$

$$\text{So, Total Wages} = 200 \times 50$$

$$= \text{Rs } 10,000$$

$$\text{Now, increased wage rate} = \text{Rs } 20$$

$$\text{Total raise} = 50 \times 20 = \text{Rs } 1,000$$

$$\text{Total Wage after raise} = 10,000 + 1,000$$

$$= \text{Rs } 11,000$$

$$\text{New Average Wage} = \frac{\text{New Total Wages}}{\text{No. of Workers}}$$

$$= \frac{11,000}{50}$$

$$= \text{Rs } 220$$

$$\text{Initial Standard Deviation} = \text{Rs } 40$$

$$\text{So, New Standard Deviation} = \text{Rs } 40 + \text{Rs } 20$$

$$= \text{Rs } 60$$

**Note:** New Standard Deviation will rise by the same amount as the wage of each worker has increased.

Q10 :

If in the previous question, each worker is given a hike of 10% in wages, how are the Mean and Standard Deviation values affected?

Answer :

$$\text{Average wage} = \text{Rs } 200$$

$$\text{Hike in wages} = 10\% \text{ of Rs } 200$$

$$= \frac{10}{100} \times 200$$

= Rs 20

Individual raise given to each worker = Rs 20

Total raise in wage = 50 x 20 = Rs 1,000

New Total Wage = Rs 10,000 + Rs 1000

= Rs 11,000

$$\text{New Average Wage} = \frac{\text{New Total Wage}}{\text{No. of Workers}}$$

$$= \frac{11,000}{50} = \text{Rs } 220$$

Initial Standard Deviation = Rs 40

So, New Standard Deviation = Rs 40 + 20

= Rs 60

Q11 :

Calculate the Mean Deviation using mean and Standard Deviation for the following distribution.

| Classes | Frequencies |
|---------|-------------|
| 20 - 40 | 3           |
| 40 - 80 |             |

Answer :

| Classes | Frequency | $m$ | $A = 90$<br>$d = X - A$ | $ d $ | $f d $ | $d' = \frac{X - A}{i}$ | $fd'$ | $d'^2$ | $fd'^2$ |
|---------|-----------|-----|-------------------------|-------|--------|------------------------|-------|--------|---------|
| 20 - 40 | 3         | 30  |                         |       |        |                        |       |        |         |

Q12 :

The sum of 10 values is 100 and the sum of their squares is 1090. Find out the Coefficient of Variation.

Answer :

$$\sum X = 100$$

$$N = 10$$

$$\text{So, } \bar{X} = \frac{\sum X}{N} = \frac{100}{10} = 10$$

$$\sum X^2 = 1090$$

$$\sigma = \sqrt{\frac{\sum X^2}{N} - (\bar{X})^2}$$

$$= \sqrt{\frac{1090}{10} - (10)^2}$$

$$= \sqrt{9}$$

$$= 3$$

$$CV = \frac{\sigma}{\bar{X}} \times 100$$

$$= \frac{3}{10} \times 100 = 30$$