

Chapter- 1: INTRODUCTION

STATISTICS FOR ECONOMICS**IMPORTANT CONCEPTS:**

- Meaning of Statistics in plural sense – It is a collection of numerical facts.
- Meaning of Statistics in Plural Sense – It deals with the collection, presentation, analysis and interpretation of quantitative information.
- Definition of statistics in Plural Sense – It means aggregate of facts affected to a marked extent of multiplicity of causes numerically expressed, enumerated or estimated according to reasonable standard of accuracy, collected in a systematic manner for predetermined purpose and placed in relation to each other.
- Consumer – A person who buys goods and services for the satisfaction of human wants.
- Producer – A person who produces goods.
- Service holder – A person who is working or in a job and gets paid for it.
- Service Provider – A person who gives services to others for a payment.
- Economic activity – Activities undertaken for monetary gain or to earn income.
- Economics is divided into three parts:
 - a) Consumption
 - b) Production
 - c) Distribution
- Consumption: In consumption, we study wants, their origin, nature and characteristics and the laws governing them.
- Production: It refers to all activities which are undertaken to produce goods and services for generation of income and satisfaction of wants.
- Distribution: Economic activity which studies how income generated from the production process is distributed among the factors of production.
- Data: Economic facts in terms of numbers.
- Importance of Statistics:

Statistics is widely used in many fields.

 - a) Importance to the Government – Statistics is used in administration and efficient functioning of departments. It collects data to fulfil its welfare objectives.
 - b) Importance of Statistics in Economics:
 - 1] Statistics helps in making economic laws like law of demand and concept of elasticity.
 - 2] It helps in understanding and solving economic problem.
 - 3] It helps in studying market structure.

4] It helps in finding mathematical relations between variables.

