

B.COM-I YEAR

BUSINESS STATISTICS

CODE –C 102

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LEARNING OBJECTIVES

- ▶ Meaning of correlation
- ▶ Definition of correlation
- ▶ Utility and importance of correlation
- ▶ Types of correlation

MEANING OF CORRELATION

► The term correlation indicates the relationship between two such variables in which with changes in the values of one variable, the values of the other variable also change.

Correlation is the statistical analysis which measures and analyses the degree or extent to which two variables fluctuate with reference to each other.

DEFINITION OF CORRELATION

- ▶ 'If two or more quantities vary in sympathy so that movements in the one tend to be accompanied by corresponding movements in the other , they are said to correlated .'

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UTILITY AND IMPORTANCE OF CORRELATION

- ▶ Correlation is of great importance . It is useful in social sciences .
- ▶ In business, Correlation analysis enables the executives to estimate costs , Prices and other variables .
It reduces the uncertainty of our prediction .

TYPES OF CORRELATION

Correlation is classified into many types, but the important are :

- (1) Positive or Negative Correlation,
- (2) Linear and Curvilinear Correlation,
- (3) Simple, Partial and Multiple Correlation.

SUGGESTIVE READINGS

- ▶ 2017, Garg A.K Business Statistics ,Swati Prakashan .
- ▶ 2016,Gupta K.L Navyug Sahitya Sadan.
- ▶ 2015,Gupta SatyaPrakash & Gupta Uma, Sultan Chand & Sons.



THANKS