Chapter 1: INTRODUCTION

IMPORTANT CONCEPTS:

1. Meaning of Statistics in plural sense – It is a collection of numerical facts.
2. Meaning of Statistics in Singular Sense – It deals with the collection, presentation, analysis and interpretation of quantitative information.
3. 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.
4. Consumer – A person who buys goods and services for the satisfaction of human wants.
5. Producer – A person who produces goods.
6. Service holder – A person who is working or in a job and gets paid for it.
7. Service Provider – A person who gives services to others for a payment.
8. Economic activity – Activities undertaken for monetary gain or to earn income.
9. Economics is divided into three parts:
   a] Consumption b] Production c] Distribution
10. Consumption: In consumption, we study wants, their origin, nature and characteristics and the laws governing them.
11. Production: It refers to all activities which are undertaken to produce goods and services for generation of income and satisfaction of wants.
12. Distribution: Economic activity which studies how income generated from the production process is distributed among the factors of production.
13. Data: Economic facts in terms of numbers.
14. 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 fulfill 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.

MCQ/1 mark conceptual questions

1. Statistics in singular sense is

   (a.) Collection of data (b.) Organization of data

   (c.) Presentation of data (d.) All the Above

2. *The term 'Statistics' was first used by*

   (a.) Gottfried Achenwall (b.) Paul A. Samuelson

   (c.) Lord Robbins (d.) J.B. Say

Answers:

1. (d) 2. (a)

Conceptual Questions:

1. What is *Economic Activity*?

Ans. An Economic activity means that activity which is related to the use of scarce resources for the satisfaction of unlimited human wants.

3/4 marks questions (FAQ)/VALUE BASED

1. Statistics prove that there is oil shortage in India. What values do you suggest to people to meet the growing demand for oil?

Ans.

➔ There should be **optimum use** of oil, as it is scarce.

➔ We should **make people aware** of shortage of oil and encourage them to use public transport system, car pools etc.