



## **[Frequently Asked Questions]**

### **Correlation**

<b>Subject:</b>	Business Economics
<b>Course:</b>	B. A. (Hons.), 1 <sup>st</sup> Semester, Undergraduate
<b>Paper No. &amp; Title:</b>	Paper – 102 Statistics for Business Economics
<b>Unit No. &amp; Title:</b>	Unit – 3 Multivariate Analysis
<b>Lecture No. &amp; Title:</b>	Lecture – 1 Correlation

## **Frequently Asked Questions**

### **Q1. Why the study of correlation is necessary?**

**A1.** In order to know the strength of the relationship between bi-variate data correlation is used.

### **Q2. What is linear correlation?**

**A2.** When the proportionate changes in the values of variables are same then it shows linear correlation or when the points on scatter diagram are on same line then there exist linear correlation between the variables of bi-variate data.

### **Q3. Which kind of correlation is to be determined between the linear combination of height of parent and height of their son?**

**A3.** Multiple correlation

### **Q4. Which kind of correlation is to be determined between height of father and height of their son by eliminating the height of mother?**

**A4.** Partial correlation

### **Q5. Which method is best for calculating correlation coefficient?**

**A5.** In the case of linear correlation Karl Pearson's method is the best method.

### **Q6. What happen is the correlation coefficient for the data is calculated by Spearman's method instead of Karl Pearson's method?**

**A6.** Generally both the values of correlation coefficients are different. Usually in the case of linear relationship the correlation coefficient based on Spearman's method is less reliable as compared to Karl Pearson's method

**Q7. Is the Spearman's method is used for bi-variate frequency distribution?**

**A7.** No.