

Chapter 1 – Data Interpretation

Refresher Material

Data Interpretation is an activity in which one draws conclusion about the data available for analysis. Before attempting to explore data interpretation, let us dwell upon the following facts.

What is data?

Data is a collection of related facts, figures, information etc. Whenever any data is given always understand the unit of data and scale factor etc. used while reporting the data.

Representation of Data

Next we consider methods to represent data

Tabular Representation of Data

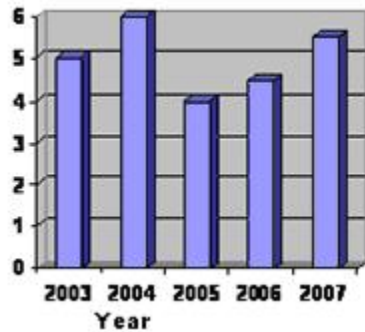
In the method data represented in horizontal rows and vertical column for example let us consider the yearly balance sheet of company ABC.

Year	Revenue (Rs Crore)	Operating Cost (Rs Crore)	Profit (Rs crore)	Sales (Rs crore)
2000	1000	200	300	1200
2001	1200	300	325	1500

In the above table each column represents the value for the corresponding variable across the years .

Bar Charts

Bar charts are most suitable when data is to be presented in a format so that comparison is easier to make, Let us consider the total cash reserve of a company over the years.



Pie Charts

Pie charts are used generally to show the distribution of whole into sub- components. Let us consider the monthly expression of a family.

Rent – 20%
Food – 15%
Entertainment – 10%
Saving – 25%
Mobile phone bill – 30%
total income – 100%

In a pie chart, a circle is divided into sectors, where the angle of the sector is proportional to the value of the sub component. Total expense of 100% is equal to the angle subtended by the circle that is

$$\text{Sector angle for Rent} = \frac{20}{100} \times 360^\circ = 72^\circ$$

$$\text{Sector angle for Food} = \frac{15}{100} \times 360^\circ = 54^\circ$$

$$\text{Sector angle for Entertainment} = \frac{10}{100} \times 360^\circ = 36^\circ$$

$$\text{Sector angle for Saving} = \frac{25}{100} \times 360^\circ = 90^\circ$$

$$\text{Sector angle for Mobile phone bill} = \frac{30}{100} \times 360^\circ = 108^\circ$$

