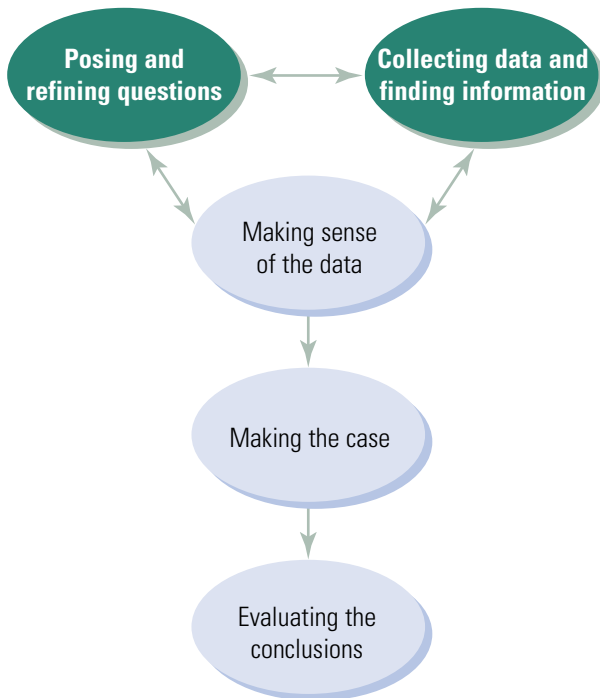


1

The Power of Information

Data-Driven Problem Solving



People who own stocks or mutual funds often will check their performance in newspapers or on the Internet. The types of information they might be interested in obtaining include

- the highest and lowest price paid
- volume traded
- profit per share

Similarly, people who bet on the outcome of a horserace will look at all the published data contained in a racing form. The racing form includes information about each horse's most recent race times, heritage, performance in previous races, and so on. Bettors then use these data, in conjunction with racing conditions such as weather, to select the horse they think is most likely to win the race.

In this chapter, you will learn how to make data more meaningful and how to use it to inform both yourself and others.

In this chapter, you will

- develop significant conclusions about a data set
- state, support, and refute conclusions based on data
- explore some of the misuses of data
- use the correlation coefficient and scatter plots to describe the relationship between two variables