



Analyst Guide
POWERED BY SOLEADEA

Must-Know CFA Formulas

E-BOOK

SAMPLE

Variance

Population variance:

$$\sigma^2 = \sum_{i=1}^N \frac{(X_i - \mu)^2}{N}$$

Where:

- ▶ σ^2 – population variance,
- ▶ μ – population mean,
- ▶ X_i – observation 'i',
- ▶ N – size of the population.

Sample variance:

$$s^2 = \sum_{i=1}^n \frac{(X_i - \bar{X})^2}{n - 1}$$

Where:

- ▶ s^2 – sample variance,
- ▶ \bar{X} – sample mean,
- ▶ X_i – observation 'i',
- ▶ n – number of observations in the sample.

Standard deviation

Population standard deviation:

$$\sigma = \sqrt{\sum_{i=1}^N \frac{(X_i - \mu)^2}{N}}$$

Where:

- ▶ σ – population standard deviation,
- ▶ μ – population mean,
- ▶ X_i – observation 'i',
- ▶ N – size of the population.

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find out more at:

<https://analyst.guide/#formulas>