

ESTIMATION :The process of obtaining an estimator (statistic) of a parameter with help of sample values is called estimation. There may be more than one estimators of a parameter because we can draw more than one sample from a population . The process of drawing various conclusions about population parameters with help of estimators (function of sample values) is statistical inference. There , the best estimator would be one that falls nearest to the true vale of parameter.

The estimation can be done in either in either of two ways (i) point estimation and (i) interval estimation

Point Estimation: Here a single point , called estimator is obtained from sample values to estimate the value of parameter without going into error of estimation. Example sample mean is the point estimator of population mean.

Interval Estimation : Some times a point estimate is insufficient as it is either correct or incorrect. It is thus preferred to obtain a range or the interval values which may be expected to cover the true value of the parameter with some defined probability or degree of confidence. Such an interval is called interval estimation and the probability is called confidence coefficient.