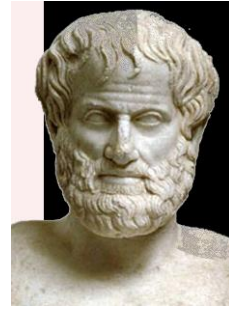


Real Life Applications of Probability

- Probability is the mathematics of chance.
- A famous Greek philosopher and scientist, Aristotle, said "The probable is what usually happens".
- If you ever heard the expression "what are the chances of that happening?", probability allows us to calculate that.
- There are loads of applications of probability in real life and some of them are outlined below:



1) Meteorologists study, and try and predict, the weather. They use historical data from the same time in history to try and predict what the weather will be like today. For example, if the temperature on this date has been between 12 and 15°C for 26 of the last 30 years, then there is a high probability of it being between 12 and 15°C again today.



2) Sports gambling is very heavily based on statistics and probability. Bookies calculate the odds of a horse winning a race or a basketball player making a three pointer based on statistics from previous games. A horse with odds of 3/1 has 3 in 4 chance of winning or a 75% chance of winning. Punters can bet on those odds. The longer the odds, the more unlikely the event and so the bigger the pay out! In 1996, Frankie Dettori famously won all 7 races at a race meeting in Ascot. The odds were 25000/1. An Englishman named Darren Yeats bet £59 on it and won £550,000 from the bookies! Read about other big winners and losers here:



<http://www.mirror.co.uk/sport/betting/uks-biggest-betting-wins---3570873>

3) The National Lottery is very much dependant on probability to keep it profitable. The odds of winning the Irish Lotto are 1 in 8,145,060, whereas EuroMillions is even more unlikely at 1 in 116,531,800!! Again, the more unlikely your win, the higher the pay out!



4) Probability is also used in the Stock Market. Traders would use probabilities to help them decide whether to invest or not in a particular commodity. If you'd like to know more about Stocks and Shares and how they work, check out: <http://money.howstuffworks.com/personal-finance/financial-planning/stocks.htm>

