

Appendix P

Exemption, Pseudo—Freedom from the property tax granted to property in recognition of the fact that it is taxed either directly or indirectly by other means; a reduction in the property tax base. Sometimes called “technical exemption.” Note: For example, public utility property may be exempt from ad valorem property taxation but subject to a gross earnings tax in lieu thereof; corporation stock may be exempt in recognition of the taxation of the corporate assets.

Expense—A cost, or that portion of a cost, which, under accepted accounting procedures, is chargeable against income of the current year.

Expense Account—An accounting record maintained for recording particular expenses.

Expense Ratio—The ratio of expenses to gross income. A “typical” expense ratio is the relationship of normal expenses to effective gross income.

Expert Witness—One who is qualified to render expert testimony.

Exploratory Data Analysis—That part of concerned with reviewing the data set to isolate structures, uncover patterns, or reveal features that may improve the confirmatory analysis.

Exponent—A symbol usually written to the right and above an expression to indicate particular mathematical operations. For example, 6^2 means 6×6 , or six squared. Fractional exponents indicate inverse operations; for example, an exponent of $1/2$ signifies a square root. Exponents are also called powers. Valuation models make use of the following properties of exponents: A number raised to the exponent 0 is always 1.00; zero raised to any power is zero; any number raised to the power 1 is itself. Negative numbers cannot have exponents less than 1.

Expropriation—See **condemnation**.

External Diseconomies—Forces outside the activities of any single firm that cause resource prices to rise.

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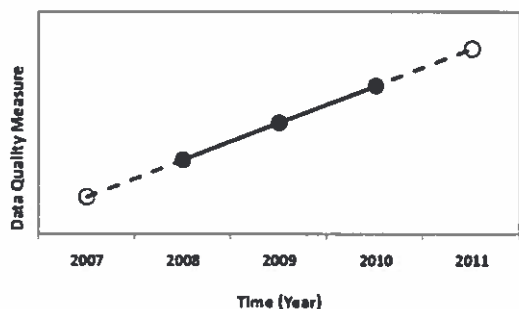
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Extrapolation: What is it?

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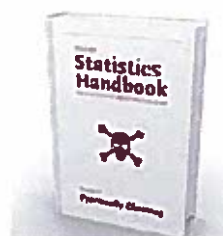
What is Extrapolation?

Extrapolation is a way to **make** guesses about the future or about some hypothetical situation based on data that you already know. **Interpolation** allows you to estimate *within* a data set; it's a tool to go beyond the data. It comes with a high degree of uncertainty. You're basically taking your "best guess" based on facts you already know.



The black line shows the data points. The dashed line shows a hypothetical extrapolation.

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Use in Statistics

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Extrapolation can mean several things in statistics, but they all involve assumption and conjecture (extrapolation is far from an exact science!):

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1. The extension of a statistical method where you assume similar methods will be used.
2. The projection, extension, or expansion of your known experience into an area that you do not know or that you haven't experienced yet.
3. The use of equations to fit data to a curve. You then use the equation to make conjectures. This is known as curve fitting or regression, which can get quite complex, with the use of tools like the Correlation Coefficient.

Other Practical Uses

Extrapolation is used in many scientific fields, like in chemistry and engineering where extrapolation is often necessary. For example, if you know the current voltages of a particular system, you can extrapolate that data to predict how the system might respond to higher voltages.

Cautions with Use

In general, you should only extrapolate for small amounts of data. For example, you might be able to rely on a steady paycheck coming in for a few months or years, but it probably wouldn't be a good idea to assume that same company is going to be still paying you 20 years down the road!

Extrapolation: What is it? was last modified: March 23rd, 2017 by Andale

By Andale | November 2, 2013 | Definitions | 1 Comment |

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1.

ye ji

June 19, 2014 at 1:50 am

Thank you for explaining the concept of extrapolation!! It helped me a lot

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