

Business Statistics A First Course

8E

David M. Levine Kathryn A. Szabat David F. Stephan



A ROADMAP FOR SELECTING A STATISTICAL METHOD

Data Analysis Task	For Numerical Variables	For Categorical Variables
Describing a group or several groups	Ordered array, stem-and-leaf display, frequency distribution, relative frequency distribution, percentage distribution, cumulative percentage distribution, histogram, polygon, cumulative percentage polygon (Sections 2.2, 2.4)	Summary table, bar chart, pie chart, doughnut chart, Pareto chart (Sections 2.1 and 2.3)
	Mean, median, mode, geometric mean, quartiles, range, interquartile range, standard deviation, variance, coefficient of variation, skewness, kurtosis, boxplot, normal probability plot (Sections 3.1, 3.2, 3.3, 6.3)	
	Dashboards (Section 14.2)	
Inference about one group	Confidence interval estimate of the mean (Sections 8.1 and 8.2)	Confidence interval estimate of the proportion (Section 8.3)
	t test for the mean (Section 9.2)	Z test for the proportion (Section 9.4)
Comparing two groups	Tests for the difference in the means of two independent populations (Section 10.1)	Z test for the difference between two proportions (Section 10.3)
	Paired t test (Section 10.2)	Chi-square test for the difference
	F test for the difference between two variances (Section 10.4)	between two proportions (Section 12.1)
Comparing more than two groups	One-way analysis of variance for comparing several means (Section 11.1)	Chi-square test for differences among more than two proportions (Section 12.2)
Analyzing the relationship between two variables	Scatter plot, time series plot (Section 2.5) Covariance, coefficient of correlation (Section 3.5) Simple linear regression (Chapter 13)	Contingency table, side-by-side bar chart, PivotTables (Sections 2.1, 2.3, 2.6)
	t test of correlation (Section 13.7)	Chi-square test of independence
	Sparklines (Section 2.7)	(Section 12.3)
Analyzing the relationship between two or more variables	Colored scatter plots, bubble chart, treemap (Section 2.7)	Multidimensional contingency tables (Section 2.6)
	Multiple regression (Chapters 14)	Drilldown and slicers (Section 2.7)
	Dynamic bubble charts (Section 14.2)	Classification trees (Section 14.4)
	Regression trees (Section 14.3)	Multiple correspondence analysis
	Cluster analysis (Section 14.5)	(Section 14.6)
	Multidimensional scaling (Section 14.6)	

Business Statistics: A First Course, Global Edition

Table of Contents

Cover

Title Page

Copyright Page

About the Authors

Brief Contents

Contents

Preface

First Things First

USING STATISTICS: The Price of Admission

FTF.1 Think Differently About Statistics

Statistics: A Way of Thinking

Statistics: An Important Part of Your Business Education

FTF.2 Business Analytics: The Changing Face of Statistics

Big Data

FTF.3 Starting Point for Learning Statistics

Statistic

Can Statistics (pl., statistic) Lie?

FTF.4 Starting Point for Using Software

Using Software Properly

REFERENCES

KEY TERMS

EXCEL GUIDE

EG.1 Getting Started with Excel

EG.2 Entering Data

EG.3 Open or Save a Workbook

EG.4 Working with a Workbook

EG.5 Print a Worksheet

EG.6 Reviewing Worksheets

EG.7 If You use the Workbook Instructions

JMP GUIDE



- JG.1 Getting Started With Jmp
- JG.2 Entering Data
- JG.3 Create New Project or Data Table
- JG.4 Open or Save Files
- JG.5 Print Data Tables or Report Windows
- JG.6 Jmp Script Files

MINITAB GUIDE

- MG.1 Getting Started with Minitab
- MG.2 Entering Data
- MG.3 Open or Save Files
- MG.4 Insert or Copy Worksheets
- MG.5 Print Worksheets

TABLEAU GUIDE

- TG.1 Getting Started with Tableau
- TG.2 Entering Data
- TG.3 Open or Save a Workbook
- TG.4 Working with Data
- TG.5 Print a Workbook

1 Defining and Collecting Data

USING STATISTICS: Defining Moments

1.1 Defining Variables

Classifying Variables by Type

Measurement Scales

1.2 Collecting Data

Populations and Samples

Data Sources

1.3 Types of Sampling Methods

Simple Random Sample

Systematic Sample

Stratified Sample

Cluster Sample

1.4 Data Cleaning

Invalid Variable Values

Coding Errors

Data Integration Errors

Missing Values



Algorithmic Cleaning of Extreme Numerical Values

1.5 Other Data Preprocessing Tasks

Data Formatting

Stacking and Unstacking Data

Recoding Variables

1.6 Types of Survey Errors

Coverage Error

Nonresponse Error

Sampling Error

Measurement Error

Ethical Issues About Surveys

CONSIDER THIS: New Media Surveys/Old Survey Errors

USING STATISTICS: Defining Moments, Revisited

SUMMARY

REFERENCES

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR Chapter 1

Managing Ashland MultiComm Services

CardioGood Fitness

Clear Mountain State Student Survey

Learning with the Digital Cases

Chapter 1 EXCEL GUIDE

EG1.1 Defining Variables

EG1.2 Collecting Data

EG1.3 Types of Sampling Methods

EG1.4 Data Cleaning

EG1.5 Other Data Preprocessing

Chapter 1 JMP GUIDE

JG1.1 Defining Variables

JG1.2 Collecting Data

JG1.3 Types of Sampling Methods

JG1.4 Data Cleaning

JG1.5 Other Preprocessing Tasks

Chapter 1 MINITAB GUIDE



MG1.1 Defining Variables

MG1.2 Collecting Data

MG1.3 Types of Sampling Methods

MG1.4 Data Cleaning

MG1.5 Other Preprocessing Tasks

Chapter 1 TABLEAU GUIDE

TG1.1 Defining Variables

TG1.2 Collecting Data

TG1.3 Types of Sampling Methods

TG1.4 Data Cleaning

TG1.5 Other Preprocessing Tasks

2 Organizing and Visualizing Variables

USING STATISTICS: The Choice Is Yours

2.1 Organizing Categorical Variables

The Summary Table

The Contingency Table

2.2 Organizing Numerical Variables

The Frequency Distribution

The Relative Frequency Distribution and the Percentage Distribution

The Cumulative Distribution

2.3 Visualizing Categorical Variables

The Bar Chart

The Pie Chart and the Doughnut Chart

The Pareto Chart

Visualizing Two Categorical Variables

2.4 Visualizing Numerical Variables

The Stem-and-Leaf Display

The Histogram

The Percentage Polygon

The Cumulative Percentage Polygon (Ogive)

2.5 Visualizing Two Numerical Variables

The Scatter Plot

The Time-Series Plot

2.6 Organizing a Mix of Variables

Drill-down

2.7 Visualizing a Mix of Variables



Colored Scatter Plot

Bubble Charts

PivotChart (Excel)

Treemap (Excel, JMP, Tableau)

Sparklines (Excel, Tableau)

2.8 Filtering and Querying Data

Excel Slicers

2.9 Pitfalls in Organizing and Visualizing Variables

Obscuring Data

Creating False Impressions

Chartjunk

USING STATISTICS: The Choice Is Yours, Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES for Chapter 2

Managing Ashland MultiComm Services

Digital Case

CardioGood Fitness

The Choice Is Yours Follow-Up

Clear Mountain State Student Survey

Chapter 2 EXCEL GUIDE

EG2.1 Organizing Categorical Variables

EG2.2 Organizing Numerical Variables

EG2 Charts Group Reference

EG2.3 Visualizing Categorical Variables

EG2.4 Visualizing Numerical Variables

EG2.5 Visualizing Two Numerical Variables

EG2.6 Organizing a Mix of Variables

EG2.7 Visualizing a Mix of Variables

EG2.8 Filtering and Querying Data

Chapter 2 JMP GUIDE

JG2 JMP Choices for Creating Summaries



- JG2.1 Organizing Categorical Variables
- JG2.2 Organizing Numerical Variables
- JG2.3 Visualizing Categorical Variables
- JG2.4 Visualizing Numerical Variables
- JG2.5 Visualizing Two Numerical Variables
- JG2.6 Organizing a Mix of Variables
- JG2.7 Visualizing a Mix of Variables
- JG2.8 Filtering and Querying Data
- JMP Guide Gallery

Chapter 2 MINITAB GUIDE

- MG2.1 Organizing Categorical Variables
- MG2.2 Organizing Numerical Variables
- MG2.3 Visualizing Categorical Variables
- MG2.4 Visualizing Numerical Variables
- MG2.5 Visualizing Two Numerical Variables
- MG2.6 Organizing a Mix of Variables
- MG2.7 Visualizing a Mix of Variables
- MG2.8 Filtering and Querying Data

Chapter 2 TABLEAU GUIDE

- TG2.1 Organizing Categorical Variables
- TG2.2 Organizing Numerical Variables
- TG2.3 Visualizing Categorical Variables
- TG2.4 Visualizing Numerical Variables
- TG2.5 Visualizing Two Numerical Variables
- TG2.6 Organizing a Mix of Variables
- TG2.7 Visualizing a Mix of Variables

3 Numerical Descriptive Measures

USING STATISTICS: More Descriptive Choices

3.1 Measures of Central Tendency

The Mean

The Median

The Mode

3.2 Measures of Variation and Shape

The Range

The Variance and the Standard Deviation

The Coefficient of Variation



Z Scores

Shape: Skewness Shape: Kurtosis

3.3 Exploring Numerical Variables

Quartiles

The Interquartile Range

The Five-Number Summary

The Boxplot

3.4 Numerical Descriptive Measures for a Population

The Population Mean

The Population Variance and Standard Deviation

The Empirical Rule

Chebyshevs Theorem

3.5 The Covariance and the Coefficient of Correlation

The Covariance

The Coefficient of Correlation

3.6 Descriptive Statistics: Pitfalls and Ethical Issues

USING STATISTICS: More Descriptive Choices, Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 3

Managing Ashland MultiComm Services

Digital Case

CardioGood Fitness

More Descriptive Choices Follow-up

Clear Mountain State Student Survey

Chapter 3 EXCEL GUIDE

EG3.1 Measures of Central Tendency

EG3.2 Measures of Variation and Shape

EG3.3 Exploring Numerical Variables

EG3.4 Numerical Descriptive Measures for a Population

EG3.5 The Covariance and the Coefficient of Correlation



Chapter 3 JMP GUIDE

JG3.1 Measures of Central Tendency

JG3.2 Measures of Variation and Shape

JG3.3 Exploring Numerical Variables

JG3.4 Numerical Descriptive Measures for a Population

JG3.5 The Covariance and the Coefficient of Correlation

Chapter 3 MINITAB GUIDE

MG3.1 Measures of Central Tendency

MG3.2 Measures of Variation and Shape

MG3.3 Exploring Numerical Variables

MG3.4 Numerical Descriptive Measures for a Population

MG3.5 The Covariance and the Coefficient of Correlation

Chapter 3 TABLEAU GUIDE

TG3.3 Exploring Numerical Variables

4 Basic Probability

USING STATISTICS: Possibilities at M&R Electronics World

4.1 Basic Probability Concepts

Events and Sample Spaces

Types of Probability

Summarizing Sample Spaces

Simple Probability

Joint Probability

Marginal Probability

General Addition Rule

4.2 Conditional Probability

Calculating Conditional Probabilities

Decision Trees

Independence

Multiplication Rules

Marginal Probability Using the General Multiplication Rule

4.3 Ethical Issues and Probability

4.4 Bayes Theorem

CONSIDER THIS: Divine Providence and Spam

4.5 Counting Rules

USING STATISTICS: Possibilities at M&R Electronics World, Revisited



SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 4

Digital Case

CardioGood Fitness

The Choice Is Yours Follow-Up

Clear Mountain State Student Survey

Chapter 4 EXCEL GUIDE

EG4.1 Basic Probability Concepts

EG4.4 Bayes Theorem

EG4.5 Counting Rules

Chapter 4 JMP GUIDE

JG4.4 Bayes Theorem

Chapter 4 MINITAB GUIDE

MG4.5 Counting Rules

5 Discrete Probability Distributions

USING STATISTICS: Events of Interest at Ricknel Home Centers

5.1 The Probability Distribution for a Discrete Variable

Expected Value of a Discrete Variable

Variance and Standard Deviation of a Discrete Variable

5.2 Binomial Distribution

Histograms for Discrete Variables

Summary Measures for the Binomial Distribution

5.3 Poisson Distribution

USING STATISTICS: Events of Interest, Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING



CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 5

Managing Ashland MultiComm Services

Digital Case

Chapter 5 EXCEL GUIDE

EG5.1 The Probability Distribution for a Discrete Variable

EG5.2 Binomial Distribution

EG5.3 Poisson Distribution

Chapter 5 JMP GUIDE

JG5.1 The Probability Distribution for a Discrete Variable

JG5.2 Binomial Distribution

JG5.3 Poisson Distribution

Chapter 5 MINITAB GUIDE

MG5.1 The Probability Distribution for a Discrete Variable

MG5.2 Binomial Distribution

MG5.3 Poisson Distribution

6 The Normal Distribution

USING STATISTICS: Normal Load Times at MyTVLab

6.1 Continuous Probability Distributions

6.2 The Normal Distribution

Role of the Mean and the Standard Deviation

Calculating Normal Probabilities

Finding X Values

CONSIDER THIS: What Is Normal?

6.3 Evaluating Normality

Comparing Data Characteristics to Theoretical Properties

Constructing the Normal Probability Plot

USING STATISTICS: Normal Load Times, Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 6



Managing Ashland MultiComm Services

CardioGood Fitness

More Descriptive Choices Follow-up

Clear Mountain State Student Survey

Digital Case

Chapter 6 EXCEL GUIDE

EG6.2 The Normal Distribution

EG6.3 Evaluating Normality

Chapter 6 JMP GUIDE

JG6.2 The Normal Distribution

JG6.3 Evaluating Normality

Chapter 6 MINITAB GUIDE

MG6.2 The Normal Distribution

MG6.3 Evaluating Normality

7 Sampling Distributions

USING STATISTICS: Sampling Oxford Cereals

7.1 Sampling Distributions

7.2 Sampling Distribution of the Mean

The Unbiased Property of the Sample Mean

Standard Error of the Mean

Sampling from Normally Distributed Populations

Sampling from Non-normally Distributed PopulationsThe Central Limit Theorem

VISUAL EXPLORATIONS: Exploring Sampling Distributions

7.3 Sampling Distribution of the Proportion

USING STATISTICS: Sampling Oxford Cereals, Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 7

Managing Ashland MultiComm Services

Digital Case

Chapter 7 EXCEL GUIDE



EG7.2 Sampling Distribution of the Mean

Chapter 7 JMP GUIDE

JG7.2 Sampling Distribution of the Mean

Chapter 7 MINITAB GUIDE

MG7.2 Sampling Distribution of the Mean

8 Confidence Interval Estimation

USING STATISTICS: Getting Estimates at Ricknel Home Centers

8.1 Confidence Interval Estimate for the Mean (Known)

Sampling Error

Can You Ever Know the Population Standard Deviation?

8.2 Confidence Interval Estimate for the Mean (Unknown)

Students t Distribution

The Concept of Degrees of Freedom

Properties of the t Distribution

The Confidence Interval Statement

- 8.3 Confidence Interval Estimate for the Proportion
- 8.4 Determining Sample Size

Sample Size Determination for the Mean

Sample Size Determination for the Proportion

8.5 Confidence Interval Estimation and Ethical Issues

USING STATISTICS: Getting Estimates at Ricknel Home Centers, Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 8

Managing Ashland MultiComm Services

Digital Case

Sure Value Convenience Stores

CardioGood Fitness

More Descriptive Choices Follow-Up

Clear Mountain State Student Survey

Chapter 8 EXCEL GUIDE



- EG8.1 Confidence Interval Estimate for the Mean (Known)
- EG8.2 Confidence Interval Estimate for the Mean (Unknown)
- EG8.3 Confidence Interval Estimate for the Proportion
- EG8.4 Determining Sample Size

Chapter 8 JMP GUIDE

- JG8.1 Confidence Interval Estimate for the Mean (Known)
- JG8.2 Confidence Interval Estimate for the Mean (Unknown)
- JG8.3 Confidence Interval Estimate for the Proportion
- JG8.4 Determining Sample Size

Chapter 8 MINITAB GUIDE

- MG8.1 Confidence Interval Estimate for the Mean (Known)
- MG8.2 Confidence Interval Estimate for the Mean (Unknown)
- MG8.3 Confidence Interval Estimate for the Proportion
- MG8.4 Determining Sample Size

9 Fundamentals of Hypothesis Testing: One-Sample Tests

USING STATISTICS: Significant Testing at Oxford Cereals

9.1 Fundamentals of Hypothesis Testing

The Critical Value of the Test Statistic

Regions of Rejection and Nonrejection

Risks in Decision Making Using Hypothesis Testing

Z Test for the Mean (Known)

Hypothesis Testing Using the Critical Value Approach

Hypothesis Testing Using the p-Value Approach

A Connection Between Confidence Interval Estimation and Hypothesis Testing

Can You Ever Know the Population Standard Deviation?

9.2 t Test of Hypothesis for the Mean (Unknown)

Using the Critical Value Approach

Using the p-Value Approach

Checking the Normality Assumption

9.3 One-Tail Tests

Using the Critical Value Approach

Using the p-Value Approach

9.4 Z Test of Hypothesis for the Proportion

Using the Critical Value Approach

Using the p-Value Approach

9.5 Potential Hypothesis-Testing Pitfalls and Ethical Issues



Important Planning Stage Questions

Statistical Significance Versus Practical Significance

Statistical Insignificance Versus Importance

Reporting of Findings

Ethical Issues

USING STATISTICS: Significant Testing..., Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 9

Managing Ashland MultiComm Services

Digital Case

Sure Value Convenience Stores

Chapter 9 EXCEL GUIDE

EG9.1 Fundamentals of Hypothesis Testing

EG9.2 t Test of Hypothesis for the Mean (Unknown)

EG9.3 One-Tail Tests

EG9.4 Z Test of Hypothesis for the Proportion

Chapter 9 JMP GUIDE

JG9.1 Fundamentals of Hypothesis Testing

JG9.2 t Test of Hypothesis for the Mean (Unknown)

JG9.3 One-Tail Tests

JG9.4 Z Test of Hypothesis for the Proportion

Chapter 9 MINITAB GUIDE

MG9.1 Fundamentals of Hypothesis Testing

MG9.2 t Test of Hypothesis for the Mean (Unknown)

MG9.3 One-Tail Tests

MG9.4 Z Test of Hypothesis for the Proportion

10 Two-Sample Tests and One-Way ANOVA

USING STATISTICS I: Differing Means for Selling Streaming Media Players at Arlingtons?

10.1 Comparing the Means of Two Independent Populations



Pooled-Variance t Test for the Difference Between Two Means Assuming Equal Variances

Evaluating the Normality Assumption

Confidence Interval Estimate for the Difference Between Two Means

Separate-Variance t Test for the Difference Between Two Means, Assuming Unequal Variances

CONSIDER THIS: Do People Really Do This?

10.2 Comparing the Means of Two Related Populations

Paired t Test

Confidence Interval Estimate for the Mean Difference

10.3 Comparing the Proportions of Two Independent Populations

Z Test for the Difference Between Two Proportions

Confidence Interval Estimate for the Difference Between Two Proportions

10.4 F Test for the Ratio of Two Variances

USING STATISTICS II: The Means to Find Differences at Arlingtons

10.5 One-Way ANOVA

Analyzing Variation in One-Way ANOVA

F Test for Differences Among More Than Two Means

One-Way ANOVA F Test Assumptions

Levene Test for Homogeneity of Variance

Multiple Comparisons: The Tukey-Kramer Procedure

USING STATISTICS I: Differing Means for Selling, Revisited

USING STATISTICS II: The Means to Find Differences at Arlingtons, Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 10

Managing Ashland MultiComm Services

Digital Case

Sure Value Convenience Stores

CardioGood Fitness

More Descriptive Choices Follow-Up

Clear Mountain State Student Survey

Chapter 10 EXCEL GUIDE



- EG10.1 Comparing the Means of Two Independent Populations
- EG10.2 Comparing the Means of Two Related Populations
- EG10.3 Comparing the Proportions of Two Independent Populations
- EG10.4 F Test for the Ratio of Two Variances
- EG10.5 One-Way Anova

Chapter 10 JMP GUIDE

- JG10.1 Comparing the Means of Two Independent Populations
- JG10.2 Comparing the Means of Two Related Populations
- JG10.3 Comparing the Proportions of Two Independent Populations
- JG10.4 F Test for the Ratio of Two Variances
- JG10.5 One-Way Anova

Chapter 10 MINITAB GUIDE

- MG10.1 Comparing the Means of Two Independent Populations
- MG10.2 Comparing the Means of Two Related Populations
- MG10.3 Comparing the Proportions of Two Independent Populations
- MG10.4F Test for the Ratio of Two Variances
- MG10.5 One-Way Anova

11 Chi-Square Tests

- USING STATISTICS: Avoiding Guesswork About Resort Guests
- 11.1 Chi-Square Test for the Difference Between Two Proportions
- 11.2 Chi-Square Test for Differences Among More Than Two Proportions
- 11.3 Chi-Square Test of Independence
- USING STATISTICS: Avoiding Guesswork, Revisited
- **SUMMARY**
- **REFERENCES**
- **KEY EQUATIONS**
- **KEY TERMS**
- CHECKING YOUR UNDERSTANDING
- CHAPTER REVIEW PROBLEMS
- **CASES FOR CHAPTER 11**
 - Managing Ashland MultiComm Services
 - PHASE 1
 - PHASE 2
 - Digital Case
 - CardioGood Fitness



Clear Mountain State Student Survey

Chapter 11 EXCEL GUIDE

- EG11.1 Chi-Square Test for the Difference Between Two Proportions
- EG11.2 Chi-Square Test for Differences Among More Than Two Proportions
- EG11.3 Chi-Square Test of Independence

Chapter 11 JMP GUIDE

- JG11.1 Chi-Square Test for the Difference Between Two Proportions
- JG11.2 Chi-Square Test for Difference Among More Than Two Proportions
- JG11.3 Chi-Square Test of Independence

Chapter 11 MINITAB GUIDE

- MG11.1 Chi-Square Test for the Difference Between Two Proportions
- MG11.2 Chi-Square Test for Differences Among More Than Two Proportions
- MG11.3 Chi-Square Test of Independence

12 Simple Linear Regression

USING STATISTICS: Knowing Customers at Sunflowers Apparel

Preliminary Analysis

- 12.1 Simple Linear Regression Models
- 12.2 Determining the Simple Linear Regression Equation

The Least-Squares Method

Predictions in Regression Analysis: Interpolation Versus Extrapolation

Calculating the Slope, b1, and the Y Intercept, b0

12.3 Measures of Variation

Computing the Sum of Squares

The Coefficient of Determination

Standard Error of the Estimate

12.4 Assumptions of Regression

12.5 Residual Analysis

Evaluating the Assumptions

12.6 Measuring Autocorrelation: The Durbin-Watson Statistic

Residual Plots to Detect Autocorrelation

The Durbin-Watson Statistic

12.7 Inferences About the Slope and Correlation Coefficient

t Test for the Slope

F Test for the Slope

Confidence Interval Estimate for the Slope



t Test for the Correlation Coefficient

12.8 Estimation of Mean Values and Prediction of Individual Values

The Confidence Interval Estimate for the Mean Response

The Prediction Interval for an Individual Response

12.9 Potential Pitfalls in Regression

USING STATISTICS: Knowing Customers, Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 12

Managing Ashland MultiComm Services

Digital Case

Brynne Packaging

Chapter 12 EXCEL GUIDE

EG12.2 Determining the Simple Linear Regression Equation

EG12.3 Measures of Variation

EG12.5 Residual Analysis

EG12.6 Measuring Autocorrelation: the DurbinWatson Statistic

EG12.7 Inferences About the Slope and Correlation Coefficient

EG12.8 Estimation of Mean Values and Prediction of Individual Values

Chapter 12 JMP GUIDE

JG12.2 Determining the Simple Linear Regression Equation

JG12.3 Measures of Variation

JG12.5 Residual Analysis

JG12.6 Measuring Autocorrelation: the DurbinWatson Statistic

JG12.7 Inferences About the Slope and Correlation Coefficient

JG12.8 Estimation of Mean Values and Prediction of Individual Values

Chapter 12 MINITAB GUIDE

MG12.2 Determining the Simple Linear Regression Equation

MG12.3 Measures of Variation

MG12.5 Residual Analysis

MG12.6 Measuring Autocorrelation: The DurbinWatson Statistic

MG12.7 Inferences About the Slope and Correlation Coefficient



MG12.8 Estimation of Mean Values and Prediction of Individual Values

Chapter 12 TABLEAU GUIDE

TG12.2 Determining the Simple Linear Regression Equation

TG12.3 Measures of Variation

13 Multiple Regression

USING STATISTICS: The Multiple Effects of OmniPower Bars

13.1 Developing a Multiple Regression Model

Interpreting the Regression Coefficients

Predicting the Dependent Variable Y

13.2 Evaluating Multiple Regression Models

Coefficient of Multiple Determination, r²

Adjusted r²

F Test for the Significance of the Overall Multiple Regression Model

13.3 Multiple Regression Residual Analysis

13.4 Inferences About the Population Regression Coefficients

Tests of Hypothesis

Confidence Interval Estimation

13.5 Using Dummy Variables and Interaction Terms

Interactions

USING STATISTICS: The Multiple Effects, Revisited

SUMMARY

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CASES FOR CHAPTER 13

Managing Ashland MultiComm Services

Digital Case

CHAPTER 13 EXCEL GUIDE

EG13.1 Developing a Multiple Regression Model

EG13.2 Evaluating Multiple Regression Models

EG13.3 Multiple Regression Residual Analysis

EG13.4 Inferences About the Population Regression Coefficients

EG13.5 Using Dummy Variables and Interaction Terms



CHAPTER 13 JMP GUIDE

JG13.1 Developing a Multiple Regression Model

JG13.2 Evaluating Multiple Regression Models

JG13.3 Multiple Regression Residual Analysis

JG13.4 Inferences About the Population

JG13.5 Using Dummy Variables And Interaction Terms

CHAPTER 13 MINITAB GUIDE

MG13.1 Developing a Multiple Regression Model

MG13.2 Evaluating Multiple Regression Models

MG13.3 Multiple Regression Residual Analysis

MG13.4 Inferences About the Population Regression Coefficients

MG13.5 Using Dummy Variables and Interaction Terms In Regression Models

14 Business Analytics

USING STATISTICS: Back to Arlingtons for the Future

14.1 Business Analytics Categories

Inferential Statistics and Predictive Analytics

Supervised and Unsupervised Methods

CONSIDER THIS: Whats My Major If I Want to Be a Data Miner?

14.2 Descriptive Analytics

Dashboards

Data Dimensionality and Descriptive Analytics

14.3 Predictive Analytics for Prediction

14.4 Predictive Analytics for Classification

14.5 Predictive Analytics for Clustering

14.6 Predictive Analytics for Association

Multidimensional Scaling (MDS)

14.7 Text Analytics

14.8 Prescriptive Analytics

USING STATISTICS: Back to Arlingtons..., Revisited

REFERENCES

KEY EQUATIONS

KEY TERMS

CHECKING YOUR UNDERSTANDING

CHAPTER REVIEW PROBLEMS

CHAPTER 14 SOFTWARE GUIDE



Introduction

- SG14.2 Descriptive Analytics
- SG14.3 Predictive Analytics for Prediction
- SG14.4 Predictive Analytics for Classification
- SG14.5 Predictive Analytics for Clustering
- SG14.6 Predictive Analytics for Association

Appendices

A. Basic Math Concepts and Symbols

- A.1 Operators
- A.2 Rules for Arithmetic Operations
- A.3 Rules for Algebra: Exponents and Square Roots
- A.4 Rules for Logarithms
- A.5 Summation Notation
- A.6 Greek Alphabet

B. IMPORTANT SOFTWARE SKILLS AND CONCEPTS

- B.1 Identifying the Software Version
- **B.2 Formulas**
- **B.3 Excel Cell References**
- **B.4 Excel Worksheet Formatting**
- B.5E Excel Chart Formatting
- **B.5J JMP Chart Formatting**
- **B.5M Minitab Chart Formatting**
- **B.5T Tableau Chart Formatting**
- B.6 Creating Histograms for Discrete Probability Distributions (Excel)
- B.7 Deleting the Extra Histogram Bar (Excel)

C. ONLINE RESOURCES

- C.1 About the Online Resources for This Book
- C.2 Data Files
- C.3 Files Integrated With Microsoft Excel
- C.4 Supplemental Files

D. CONFIGURING SOFTWARE

- D.1 Microsoft Excel Configuration
- D.2 JMP Configuration
- D.3 Minitab Configuration
- D.4 Tableau Configuration

E. TABLE



- E.1 Table of Random Numbers
- E.2 The Cumulative Standardized Normal Distribution
- E.3 Critical Values of t
- E.4 Critical Values of X2
- E.5 Critical Values of F
- E.6 The Standardized Normal Distribution
- E.7 Critical Values of the Studentized Range, Q
- E.8 Critical Values, dL and dU, of the Durbin-Watson Statistic, D (Critical Values Are One-Sided)
- E.9 Control Chart Factors

F. USEFUL KNOWLEDGE

- F.1 Keyboard Shortcuts
- F.2 Understanding the Nonstatistical Functions

G. SOFTWARE FAQS

- G.1 Microsoft Excel FAQs
- G.2 PHStat FAQs
- G.3 JMP FAQs
- G.4 Minitab FAQs
- G.5 Tableau FAQs

H. ALL ABOUT PHStat

- H.1 What is PHStat?
- H.2 Obtaining and Setting Up PHStat
- H.3 Using PHStat
- H.4 PHStat Procedures, by Category

Self-Test Solutions and Answers to Selected Even-Numbered Problems

Index

Credits

