

## Table of Contents

1	Data	a Colle	ction	1
	1.1	Introdu	iction to Statistics	1
		1.1.1	Statistics Definition and Statistical Thinking	1
		1.1.2	Understanding the Process of Statistics	4
		1.1.3	Difference between Qualitative and Quantitative	
			Variables	6
		1.1.4	Difference between Discrete and Continuous Variable	s 7
		1.1.5	Determining the Level of Measurement of a Variable	10
		1.1.6	Exercise Set	11
	1.2	Desigr	ned Experiments versus Observational Studies	12
		1.2.1	Difference between an Observational Study and an	
			Experiment	12
		1.2.2	Types of Observational Studies	17

		1.2.3	Exercise Set	19
	1.3	Simple	e Random Sampling	20
		1.3.1	Sampling	20
		1.3.2	Simple Random Sample	21
		1.3.3	Technology Step by Step	27
		1.3.4	Exercise Set	29
	1.4	Other S	Sampling Methods	32
		1.4.1	Stratified Sample	33
		1.4.2	Systematic Sample	35
		1.4.3	Cluster Sample	37
		1.4.4	Convenience Sampling	38
		1.4.5	Exercise Set	39
	1.5	Bias in	Sampling	40
		1.5.1	Describe the Sources of Bias in Sampling	40
		1.5.2	Exercise Set	45
	1.6	The De	esign of Experiments	47
		1.6.1	Explaining the Characteristics of an Experiment	47
		1.6.2	Describing the Steps in Designing an Experiment	49
		1.6.3	Explain the Completely Randomized Design	50
		1.6.4	Explaining the Matched Pairs Design	52
		1.6.5	Describing the Randomized Block Design	53
		1.6.6	Exercise Set	56
	1.7	Refere	nces	58
2	Org	anize a	ind Summarize Data	59
	2.1	Data O	rganization	59
		2.1.1	Introduction	59
		2.1.2	Data Processing	60
		2.1.3	Level of Measurement	60
		2.1.4	Comparison between Qualitative and	
			Quantitative Data	61
		2.1.5	Organizing Qualitative Data in Table Form	61
		2.1.6	Construction of Bar Graphs	64
		2.1.7	Pie Charts	73
		2.1.8	Exercise Set	79
	2.2	Quanti	tative Data Organizing	80
		2.2.1	Introduction	80
		2.2.2	Discrete Data Organized in Table Form	81

Tab	ole of (	Contents		ix
		2.2.3	Construct Histograms for Discrete data	84
		2.2.4	Continuous Data Organized in Table Form	88
		2.2.5	Construct Histograms for Continuous Data	92
		2.2.6	Stem and Leaf Plot	96
		2.2.7	Dot Plots	100
		2.2.8	Identification of the Shape	101
		2.2.9	Exercise Set	104
	2.3	Furthe	r Expansion of Displays of Quantitative Data	106
		2.3.1	Frequency Polygons	106
		2.3.2	Cumulative Frequency and Relative frequency	110
		2.3.3	Construction of Ogives over Cumulative	
			Frequency and Relative frequency	111
		2.3.4	Time-series Graphs	115
		2.3.5	Data Misleading	115
		2.3.6	Exercise Set	116
	2.4	Measu	res of Central Tendency	117
		2.4.1	Mean	117
		2.4.2	Median	120
		2.4.3	Mode	121
		2.4.4	Exercise Set	122
	2.5	Measu	res of Dispersion	123
		2.5.1	Variance and Standard Deviation	123
		2.5.2	The Empirical Rule	126
		2.5.3	Chebyshev's Inequality	127
		2.5.4	Exercise Set	127
	2.6	Positic	n Measures and Outliers	129
		2.6.1	Z- Score	129
		2.6.2	Interpret Percentile	130
		2.6.3	Outliers of a Data set	134
		2.6.4	Exercise Set	136
	2.7	Refere	nces	137
3	Pro	oability	and Probability Distributions	138
	3.1	Introdu	uction	138
	3.2	Probab	pility Rules	139
		3.2.1	Identifying Events and the Sample Space of a	
			Probability Experiment	142
		3.2.2	A Probability Model	143

	3.2.3	Two Important Rules of Probability	143
	3.2.4	Compute and Interpret Probabilities using	
		the Empirical Method	144
	3.2.5	Determining the Probability using	
		the Classical Method	146
	3.2.6	Exercise Set	151
3.3	Disjoint	Events	152
	3.3.1	Addition Rule for Disjoint Events	153
	3.3.2	Use the General Addition Rule	157
	3.3.3	Determine the Probability of an Event using	
		the Complement Rule	160
	3.3.4	Exercise Set	163
3.4	Indeper	ndence and the Multiplication Rule	165
	3.4.1	Using the Multiplication Rule for Independent Events	166
	3.4.2	Exercise Set	169
3.5	Conditi	onal and Independent Probabilities	170
	3.5.1	Conditional Probability	170
	3.5.2	Exercises Set	173
3.6	Countir	ng Techniques	174
	3.6.1	Use the Multiplication Rule to Solve Counting	
		Problems	174
	3.6.2	Solve Counting Problems using Permutation	
		and Combinations	179
	3.6.3	Calculating Probabilities involving Permutations	
		and Combinations	184
	3.6.4	Technology used in the Computation	185
	3.6.5	Exercise Set	186
3.7	Bayes'	Theorem	187
	3.7.1	Bayes' Theorem for 2 Events	188
	3.7.2	Bayes' Theorem for 3 Events	188
	3.7.3	Bayes' Theorem for n Events	188
	3.7.4	Exercise Set	190
3.8	Discret	e Random Variables	192
	3.8.1	Identify Discrete Probability Distribution	192
	3.8.2	How to Graph a Discrete Probability Distribution	193
	3.8.3	Calculate the Standard Deviation of a Discrete	
		Random Variable	196
	3.8.4	Exercise Set	197

3.9	Binomia	al Probability Distribution	198
	3.9.1	Criteria for Binomial Probability Experiment	198
	3.9.2	How to Graph a Binomial Probability Distribution	200
	3.9.3	Exercise Set	201
3.10	Poissor	n Probability Distribution	202
	3.10.1	Function of Poisson Probability Distribution	202
	3.10.2	Exercise Set	204
3.11	Propert	ies of Normal Distribution	205
	3.11.1	Applications of Normal Distribution	208
	3.11.2	Exercise Set	209
3.12	Normal	Approximation to Binomial Probability Distribution	211
	3.12.1	Exercise Set	213
3.13	Referen	ces	213

4	Esti its H	mating the Value of a Parameter and Iypothesis Testing
	4.1	Introduction

4.1	Introdu	ction	214
	4.1.1	Random Sample	215
	4.1.2	Definition of Statistic	215
	4.1.3	Moments of the Sample Mean and Variance	215
	4.1.4	Sampling Distribution	219
	4.1.5	The Central Limit Theorem	220
	4.1.6	Normal Approximations of Some Distributions	222
	4.1.7	Sampling Distributions for the Normal	222
	4.1.8	The T Result	224
	4.1.9	The F Result for Variance Ratios	226
	4.1.10	Sampling Distribution of Sample Proportion	226
	4.1.11	Sampling Distribution of $\hat{p}$	229
	4.1.12	Exercise Set	233
4.2	Estimat	ting the Value of a Parameter	234
	4.2.1	Point Estimate	235
	4.2.2	The Method of Moments	235
	4.2.3	The Method of Maximum Likelihood	238
	4.2.4	Unbiasedness	248
	4.2.5	Mean Square Error	249
	4.2.6	Asymptotic Distribution of MLEs	251
	4.2.7	Exercise Set	253
4.3	Confide	ence Interval	255

xi

		4.3.1	Introduction	255
		4.3.2	Sample Size	257
		4.3.3	Confidence Intervals for the Normal Distribution	258
		4.3.4	Confidence Intervals for Binomial and Poisson	261
		4.3.5	Confidence Intervals for Two-sample Problems	270
		4.3.6	Paired Data	273
		4.3.7	Exercise Set	275
	4.4	Hypoth	esis Testing	276
		4.4.1	The Testing Procedure	276
		4.4.2	Hypotheses	276
		4.4.3	One-sided and Two-sided Tests	276
		4.4.4	Test Statistics	277
		4.4.5	Error	277
		4.4.6	P-values	278
		4.4.7	Testing the Value of a Population Mean	278
		4.4.8	Testing the Value of a Population Variance	279
		4.4.9	Testing the Value of a Population Proportion	280
		4.4.10	Testing the Value of the Mean of a Poisson	
			Distribution	282
		4.4.11	Paired Data	283
		4.4.12	Exercise Set	284
	4.5	Referen	ices	284
5	Infer	ence o	n Two Samples and Categorical Data	285
	51	Introdu	ction	285
	5.2	Inference	ce about Two Population Proportions	286
	0.1	5.2.1	Distinguish between Independent and Dependent	
			Sampling	286
		5.2.2	Test Hypothesis regarding Two Proportions	
			from Independent Samples	287
		5.2.3	Construct and Interpret Confidence Intervals for	
			the Difference between Two Population Proportions	295
		5.2.4	Determine the Sample Size Necessary for	
			Estimating the Difference between	
			Two Population Proportions	297
		5.2.5	Exercise Set	299
	5.3	Inference	ce about Two Means: Dependent Samples	301

		5.3.1	Test Hypothesis for a Population Mean from	0.01
		500	Matched-Pairs Data	301
		5.3.2	Construct and Interpret the Confidence Intervals	
			about the Population Mean Difference in	007
			Matched-Pairs Data	307
	<b>F</b> 4	5.3.3	Exercise Set	308
	5.4	Inferen	ce about Two Means: Independent Samples	309
		5.4.1	Test Hypotheses Regarding the Difference of	010
			I wo Independent Means	310
		5.4.2	Construct and Interpret Confidence Intervals	
			Regarding the Difference of Two Independent Means	; 316
		5.4.3	Exercise Set	318
	5.5	Inferen	ce about Two Population Standard Deviations	319
		5.5.1	Find Critical Values of the F-distribution	319
		5.5.2	Test Hypotheses regarding Two Population	
			Standard Deviations	323
		5.5.3	Exercise Set	327
	5.6	Goodne	ess-of-Fit Test	329
		5.6.1	Perform a Goodness-of-Fit Test	329
		5.6.2	Exercise Set	339
	5.7	Tests f	or Independence and the Homogeneity of Proportions	341
		5.7.1	Perform a Test for Independence	341
		5.7.2	Perform a Test for Homogeneity of Proportions	350
		5.7.3	Exercise Set	355
	5.8	Inferen	ce about Two Population Proportions:	
		Depend	dent Samples	358
		5.8.1	Test Hypotheses Regarding Two Proportions	
			from Dependent Samples	358
		5.8.2	Exercise Set	362
	5.9	Referer	nces	364
6	Corr	elatior	and Regression	365
	6.1	Scatter	Diagrams and Correlation	365
		6.1.1	Draw and Interpret Scatter Diagrams	365
		6.1.2	Explaining the Properties of the Linear	
			Correlation Coefficient	367
		6.1.3	Compute and Interpret the Linear	-
			correlation Coefficient	368

xiii

	6.1.4	Differentiate Between Correlation and Causation	371
	6.1.5	Exercise Set	372
6.2	Least S	Square Regression	374
	6.2.1	Find the Least Squares Regression Line and use	
		that Line to make Predictions	374
	6.2.2	Interpret the Slope and the y Intercept of	
		the Least Squares Regression Line	376
	6.2.3	Exercise Set	376
6.3	Diagno	stics on the Least Squares Regression	378
	6.3.1	Calculate and Interpret the Coefficient of	
		Determination	378
	6.3.2	Perform Residual Analysis on a Regression Model	382
	6.3.3	Identify Influential Observations	386
	6.3.4	Exercise Set	387
6.4	Inferen	ce on the Least Squares Regression Model	390
	6.4.1	Introduction	390
	6.4.2	State the Requirements of the Least Squares	
		Regression	391
	6.4.3	Compute the Standard Error of the Estimate	393
	6.4.4	Verify that the Residuals Are Normally Distributed	395
	6.4.5	Conduct Inference on the Slope of the Least	
		Squares Regression Model	395
	6.4.6	Construct a Confidence Interval about the Slope	
		of the Least Squares Regression Model	398
	6.4.7	Exercise Set	399
6.5	Confide	ence and Prediction Intervals and Multiple Regression	401
	6.5.1	Construct a Confidence Interval for Mean Response	401
	6.5.2	Construct Prediction Intervals for an Individual	
		Response	402
	6.5.3	Multiple Regression	403
	6.5.4	Perform an F-test for Lack of Fit	407
	6.5.5	Construct Confidence and Prediction Intervals	410
	6.5.6	Work with Multiple Regression Models with	
		Interaction	410
	6.5.7	Exercise Set 6.5	414
6.6	Referer	nces	415

Statistics: Informed Decisions using Data

Table of Contents	Table	of	Contents
-------------------	-------	----	----------

-					
/	Appendix				
	7.1	7.1 Probabilities for the Standard Normal distribution			
	7.2 Percentage Points for the Standard Normal distribution				
	7.3	Percentage Points for the t distribution	420		
	7.4	Probabilities for the x <sup>2</sup> distribution	421		
	7.5	Probabilities for the x <sup>2</sup> distribution	423		
	7.6 Probabilities for the x <sup>2</sup> distribution				
	7.7	Percentage Points for the x <sup>2</sup> distribution	426		
	7.8	Percentage Points for the x <sup>2</sup> distribution	427		
	7.9	Percentage Points for the F distribution	428		
	7.10	10% Points for the F distribution	429		
	7.11	5% Points for the F distribution	430		
	7.12	2 1/2 % Points for the F distribution	431		
	7.13	1% Points for the F distribution	432		
In	dex		434		