3 Numerical Descriptive Measures 92

USING STATISTICS @ Choice Is Yours, Part II 93
3.1 Central Tendency 94
   The Mean 94
   The Median 96
   The Mode 97
3.2 Variation and Shape 98
   The Range 98
   The Variance and the Standard Deviation 99
   The Coefficient of Variation 103
   Z Scores 104
   Shape 105
VISUAL EXPLORATIONS: Exploring Descriptive Statistics 107
3.3 Exploring Numerical Data 109
   Quartiles 109
   The Interquartile Range 111
   The Five-Number Summary 111
   The Boxplot 113
3.4 Numerical Descriptive Measures for a Population 116
   The Population Mean 117
   The Population Variance and Standard Deviation 117
   The Empirical Rule 118
   The Chebyshev Rule 119
3.5 The Covariance and the Coefficient of Correlation 121
   The Covariance 121
   The Coefficient of Correlation 123
3.6 Descriptive Statistics: Pitfalls and Ethical Issues 127

USING STATISTICS @ Choice Is Yours, Part II Revisited 127
SUMMARY 128
KEY EQUATIONS 128
KEY TERMS 129
CHAPTER REVIEW PROBLEMS 129
MANAGING ASHLAND MULTICOMM SERVICES 134
DIGITAL CASE 134
REFERENCES 134

CHAPTER 3 EXCEL GUIDE 135
   EG3.1 Central Tendency 135
   EG3.2 Variation and Shape 135
   EG3.3 Exploring Numerical Data 136
   EG3.4 Numerical Descriptive Measures for a Population 136
   EG3.5 The Covariance and the Coefficient of Correlation 137

CHAPTER 3 MINITAB GUIDE 137
   MG3.1 Central Tendency 137
   MG3.2 Variation and Shape 137
   MG3.3 Exploring Numerical Data 138
   MG3.4 Numerical Descriptive Measures for a Population 138
   MG3.5 The Covariance and the Coefficient of Correlation 138

4 Basic Probability 140

USING STATISTICS @ M&R Electronics World 141
4.1 Basic Probability Concepts 142
   Events and Sample Spaces 143
   Contingency Tables and Venn Diagrams 144
   Simple Probability 145
   Joint Probability 146
   Marginal Probability 146
   General Addition Rule 147
4.2 Conditional Probability 151
   Computing Conditional Probabilities 151
   Independence 154
   Multiplication Rules 155
   Marginal Probability Using the General Multiplication Rule 156
4.3 Bayes' Theorem 159
THINK ABOUT THIS: Divine Providence and Spam 162
4.4 Counting Rules 163
   Counting Rule 1 163
   Counting Rule 2 164
   Counting Rule 3 164
   Counting Rule 4 165
   Counting Rule 5 165
4.5 Ethical Issues and Probability 167

USING STATISTICS @ M&R Electronics World Revisited 168
SUMMARY 168
KEY EQUATIONS 168
KEY TERMS 169
CHAPTER REVIEW PROBLEMS 169
DIGITAL CASE 171
REFERENCES 172

CHAPTER 4 EXCEL GUIDE 173
   EG4.1 Basic Probability Concepts 173
   EG4.2 Conditional Probability 173
   EG4.3 Bayes' Theorem 173
   EG4.4 Counting Rules 174

CHAPTER 4 MINITAB GUIDE 174
   MG4.1 Basic Probability Concepts 174
   MG4.2 Conditional Probability 174
   MG4.3 Bayes' Theorem 174
   MG4.4 Counting Rules 174

5 Discrete Probability Distributions 176

USING STATISTICS @ Saxon Home Improvement 177
5.1 The Probability Distribution for a Discrete Random Variable 178
   Expected Value of a Discrete Random Variable 178
   Variance and Standard Deviation of a Discrete Random Variable 179
6 The Normal Distribution 200

USING STATISTICS @ OurCampus! 201
6.1 Continuous Probability Distributions 202
6.2 The Normal Distribution 202
    Computing Normal Probabilities 204
THINK ABOUT THIS: What Is Normal? 212
VISUAL EXPLORATIONS: Exploring the Normal Distribution 213.
6.3 Evaluating Normality 214
    Comparing Data Characteristics to Theoretical Properties 215
    Constructing the Normal Probability Plot 216

USING STATISTICS @ OurCampus! Revisited 219
SUMMARY 219
KEY EQUATIONS 219
KEY TERMS 220
CHAPTER REVIEW PROBLEMS 220
MANAGING ASHLAND MULTICOMM SERVICES 222
DIGITAL CASE 222
REFERENCES 222
CHAPTER 6 EXCEL GUIDE 223
    EG6.1 Continuous Probability Distributions 223
    EG6.2 The Normal Distribution 223
    EG6.3 Evaluating Normality 223
CHAPTER 6 MINITAB GUIDE 224
    MG6.1 Continuous Probability Distributions 224
    MG6.2 The Normal Distribution 224
    MG6.3 Evaluating Normality 224

7 Sampling and Sampling Distributions 226

USING STATISTICS @ Oxford Cereals 227
7.1 Types of Sampling Methods 228
    Simple Random Samples 229
    Systematic Samples 231
    Stratified Samples 231
    Cluster Samples 232
7.2 Evaluating Survey Worthiness 233
    Survey Error 233
    Ethical Issues 234
THINK ABOUT THIS: New Media Surveys/Old Sampling Problem 234
7.3 Sampling Distributions 236
7.4 Sampling Distribution of the Mean 236
    The Unbiased Property of the Sample Mean 236
    Standard Error of the Mean 238
    Sampling from Normally Distributed Populations 239
    Sampling from Non-Normally Distributed Populations—The Central Limit Theorem 242
VISUAL EXPLORATIONS: Exploring Sampling Distributions 243
7.5 Sampling Distribution of the Proportion 245

USING STATISTICS @ Oxford Cereals Revisited 248
SUMMARY 248
KEY EQUATIONS 248
KEY TERMS 249
CHAPTER REVIEW PROBLEMS 249
MANAGING ASHLAND MULTICOMM SERVICES 251
DIGITAL CASE 251
REFERENCES 252
CHAPTER 7 EXCEL GUIDE 253
    EG7.1 Types of Sampling Methods 253
    EG7.2 Evaluating Survey Worthiness 253
    EG7.3 Sampling Distributions 253
    EG7.4 Sampling Distribution of the Mean 253
    EG7.5 Sampling Distribution of the Proportion 254
CHAPTER 7 MINITAB GUIDE 254
    MG7.1 Types of Sampling Methods 254
    MG7.2 Evaluating Survey Worthiness 255
    MG7.3 Sampling Distributions 255
    MG7.4 Sampling Distribution of the Mean 255

8 Confidence Interval Estimation 256

USING STATISTICS @ Saxon Home Improvement 257
8.1 Confidence Interval Estimate for the Mean (σ Known) 258
    Can You Ever Know the Population Standard Deviation? 263
8.2 Confidence Interval Estimate for the Mean (σ Unknown) 264
    Student's t Distribution 264
Properties of the \( t \) Distribution 265
The Concept of Degrees of Freedom 266
The Confidence Interval Statement 266

8.3 Confidence Interval Estimate for the Proportion 272
8.4 Determining Sample Size 275
Sample Size Determination for the Mean 275
Sample Size Determination for the Proportion 277
8.5 Confidence Interval Estimation and Ethical Issues 281

USING STATISTICS @ Saxon Home Improvement
Revisited 282
SUMMARY 282
KEY EQUATIONS 283
KEY TERMS 283
CHAPTER REVIEW PROBLEMS 283
MANAGING ASHLAND MULTICOMM SERVICES 287
DIGITAL CASE 288
REFERENCES 288
CHAPTER 8 EXCEL GUIDE 289
EG8.1 Confidence Interval Estimate for the Mean (\( \sigma \) Known) 289
EG8.2 Confidence Interval Estimate for the Mean (\( \sigma \) Unknown) 289
EG8.3 Confidence Interval Estimate for the Proportion 290
EG8.4 Determining Sample Size 290

CHAPTER 8 MINITAB GUIDE 291
MG8.1 Confidence Interval Estimate for the Mean (\( \sigma \) Known) 291
MG8.2 Confidence Interval Estimate for the Mean (\( \sigma \) Unknown) 292
MG8.3 Confidence Interval Estimate for the Proportion 292
MG8.4 Determining Sample Size 293

9 Fundamentals of Hypothesis Testing:
One-Sample Tests 294

USING STATISTICS @ Oxford Cereals, Part II 295
9.1 Fundamentals of Hypothesis-Testing Methodology 296
The Null and Alternative Hypotheses 296
The Critical Value of the Test Statistic 297
Regions of Rejection and Nonrejection 298
Risks in Decision Making Using Hypothesis Testing 298
Hypothesis Testing Using the Critical Value Approach 301
Hypothesis Testing Using the \( p \)-Value Approach 303
A Connection Between Confidence Interval Estimation and Hypothesis Testing 306
Can You Ever Know the Population Standard Deviation? 306
9.2 \( t \) Test of Hypothesis for the Mean (\( \sigma \) Unknown) 308
The Critical Value Approach 308
The \( p \)-Value Approach 310
Checking the Normality Assumption 310
9.3 One-Tail Tests 314
The Critical Value Approach 315
The \( p \)-Value Approach 316
9.4 \( Z \) Test of Hypothesis for the Proportion 319
The Critical Value Approach 320
The \( p \)-Value Approach 321

10 Two-Sample Tests and
One-Way ANOVA 334

USING STATISTICS @ BLK Beverages 335
10.1 Comparing the Means of Two Independent
Populations 336
Pooled-Variance \( t \) Test for the Difference Between Two Means 336
Confidence Interval Estimate for the Difference Between Two Means 341
\( t \) Test for the Difference Between Two Means Assuming Unequal Variances 342
THINK ABOUT THIS: "This Call May Be Monitored ... " 342
10.2 Comparing the Means of Two Related Populations 345
Paired \( t \) Test 346
Confidence Interval Estimate for the Mean Difference 352
10.3 Comparing the Proportions of Two Independent Populations 354
\( Z \) Test for the Difference Between Two Proportions 354
Confidence Interval Estimate for the Difference Between Two Proportions 358
10.4 \( F \) Test for the Ratio of Two Variances 361
10.5 One-Way Analysis of Variance 366
One-Way ANOVA \( F \) Test for Differences Among More Than Two Means 366
Multiple Comparisons: The Tukey-Kramer Procedure 372
ANOVA Assumptions 374
Levene Test for Homogeneity of Variance 375

USING STATISTICS @ BLK Beverages Revisited 380
SUMMARY 380
KEY EQUATIONS 381
KEY TERMS 382
CHAPTER REVIEW PROBLEMS 383
MANAGING ASHLAND MULTICOMM SERVICES 387
Chapter 10 Excel Guide 390
EG10.1 Comparing the Means of Two Independent Populations 390
EG10.2 Comparing the Means of Two Related Populations 392
EG10.3 Comparing the Proportions of Two Independent Populations 393
EG10.4 F Test for the Ratio of Two Variances 394
EG10.5 One-Way Analysis of Variance 395

Chapter 10 Minitab Guide 398
MG10.1 Comparing the Means of Two Independent Populations 398
MG10.2 Comparing the Means of Two Related Populations 398
MG10.3 Comparing the Proportions of Two Independent Populations 399
MG10.4 F Test for the Ratio of Two Variances 399
MG10.5 One-Way Analysis of Variance 400

Chapter 11 Chi-Square Tests 402

Using Statistics @ T.C. Resort Properties 403
11.1 Chi-Square Test for the Difference Between Two Proportions 404
11.2 Chi-Square Test for Differences Among More Than Two Proportions 411
11.3 Chi-Square Test of Independence 415

Using Statistics @ T.C. Resort Properties Revisited 421
Summary 421
Key Equations 422
Key Terms 422
Chapter Review Problems 423
Managing Ashland Multicomm Services 425
Digital Case 426
References 426

Chapter 11 Excel Guide 427
EG11.1 Chi-Square Test for the Difference Between Two Proportions 427
EG11.2 Chi-Square Test for Differences Among More Than Two Proportions 427
EG11.3 Chi-Square Test of Independence 428

Chapter 11 Minitab Guide 429
MG11.1 Chi-Square Test for the Difference Between Two Proportions 429
MG11.2 Chi-Square Test for Differences Among More Than Two Proportions 429
MG11.3 Chi-Square Test of Independence 429

Chapter 12 Simple Linear Regression 430

Using Statistics @ Sunflowers Apparel 431
12.1 Types of Regression Models 432
12.2 Determining the Simple Linear Regression Equation 434
13 Multiple Regression 486

USING STATISTICS @ OmniFoods 487
13.1 Developing a Multiple Regression Model 488
   Visualizing Multiple Regression Data 488
   Interpreting the Regression Coefficients 488
   Predicting the Dependent Variable $Y$ 491
13.2 $r^2$, Adjusted $r^2$, and the Overall $F$ Test 494
   Coefficient of Multiple Determination 494
   Adjusted $r^2$ 495
   Test for the Significance of the Overall Multiple Regression Model 495
13.3 Residual Analysis for the Multiple Regression Model 498
13.4 Inferences Concerning the Population Regression Coefficients 500
   Tests of Hypothesis 500
   Confidence Interval Estimation 501
13.5 Using Dummy Variables and Interaction Terms in Regression Models 503
   Dummy variables 503
   Interactions 505

USING STATISTICS @ OmniFoods Revisited 510
SUMMARY 510
KEY EQUATIONS 512
KEY TERMS 512
CHAPTER REVIEW PROBLEMS 512
MANAGING ASHLAND MULTICOMM SERVICES 516
DIGITAL CASE 516
REFERENCES 516

CHAPTER 13 EXCEL GUIDE 517
EG13.1 Developing a Multiple Regression Model 517
EG13.2 $r^2$, Adjusted $r^2$, and the Overall $F$ Test 518
EG13.3 Residual Analysis for the Multiple Regression Model 518
EG13.4 Inferences Concerning the Population Regression Coefficients 519
EG13.5 Using Dummy Variables and Interaction Terms in Regression Models 519

CHAPTER 13 MINITAB GUIDE 520
MG13.1 Developing a Multiple Regression Model 520
MG13.2 $r^2$, Adjusted $r^2$, and the Overall $F$ Test 521
MG13.3 Residual Analysis for the Multiple Regression Model 521
MG13.4 Inferences Concerning the Population Regression Coefficients 521
MG13.5 Using Dummy Variables and Interaction Terms in Regression Models 521

Appendices 523
A. Basic Math Concepts and Symbols 524
   A.1 Rules for Arithmetic Operations 524
   A.2 Rules for Algebra: Exponents and Square Roots 524
   A.3 Rules for Logarithms 525
   A.4 Summation Notation 526
   A.5 Statistical Symbols 529
   A.6 Greek Alphabet 529
B. Basic Computing Skills 530
   B.1 Objects in a Window 530
   B.2 Basic Mouse Operations 531
   B.3 Dialog Box Interactions 531
   B.4 Unique Features 533
C. Online Resources 534
   C.1 About The Online Resources for This Book 534
   C.2 Accessing the Online Resources 534