

Programme: PGDM (International Business)

Batch: 2015-17

Trimester: 1st

PGDM (IB) (15-17) Statistics for Business Analysis IB-101

Trimester - I, End-Term Examination: September 2015

Time allowed: 2 hrs 30 min	Max Marks: 50
	Roll No:

Instruction: Students are required to write Roll No on every page of the question paper, writing anything except the Roll No will be treated as **Unfair Means**. In case of rough work please use answer sheet.

Sections	No. of Questions to attempt	Marks	Marks
Α	3 out of 5 (Short Questions)	5 Marks each	3*5 = 15
В	2 out of 3 (Long Questions)	10 Marks each	2*10 = 20
С	Compulsory Case Study	15 Marks	15
1. 253	et her me in beel-aboritam prinast	Total Marks	50

SECTION A

- A1. Five percent of the many cars produced at a plant are defective. Ten cars made at the plant are sent to a dealership. Let X be the number of defective cars in the shipment.
 - a. Under what condition can we assume that X is a binomial random variable?
 - b. What is the probability that two or more cars are defective?
 - c. What is the expected number of defective cars?
- A2. Airline passengers arrive randomly and independently at the passenger screening facility at a major international airport. The mean arrival rate is 10 passengers per minute.
 - a. Compute the probability of no arrival in a 15- second period.
 - b. Compute the probability of at least one arrival in a 15- second period.
- A3. The time it takes an international telephone operator to place an overseas phone call is normally distributed with mean 45 seconds and standard deviation 10 seconds.
 - a. What is the probability that my call will go through in less than 1 minute?

- b. What is the probability that I will have to wait more than 70 seconds for my call to go through?
 What is the probability that I will have to wait hat your 20 to 70 seconds for my call?
- c. What is the probability that I will have to wait between 60 to 70 seconds for my call?

A4. Three training methods were compared to see whether they led to greater productivity after training. The following are productivity measures for individuals trained by each method.

	Method 1	Method 2	Method 3
0 47 0 6240	45	59	41
The state of	40	43	37
	50	47	43
	39	51	40
	53	39	52
- 1	44	49	37
Sample Mean	45.167	48	41.667
Sample Variance	30.167	47.6	31.067

At the 0.05 level of significance, do the three training methods lead to different levels of productivity?

A5. An investment analyst for Goldman Sachs and Company wanted to test the hypothesis made by British securities experts that 70% of all foreign investors in the British market were American. The analyst gathered a random sample of 210 accounts of foreign investors in London and found that 130 were owned by U.S. citizens. At $\alpha = 0.05$ level of significance, is there evidence to reject the claim of the British securities experts?

SECTION B

- B1. Farmer Braun, who sells grain to Germany, owns 60 acres of wheat fields. Based on past experience, he knows that the yield from each individual acre is normally distributed with mean 120 bushels and standard deviation 12 bushels. Help Farmer Braun plan for his next year's crop by finding
 - a. The expected mean of the yields from Farmer Braun's 60 acres of wheat.
 - b. The standard deviation of the sample mean of the yields from Farmer Braun's 60 acres.
 - c. The probability that the mean yield per acre will exceed 123.8 bushels.

d. The probability that the mean yield per acre will fall between 117 and 122 bushels.

B 2.Quick Logistic Company (QLC) is a national level logistic company. QLC uses three modes of transportation for fetching goods to the desired destinations: Heavy-Duty Trucks, Buses and Medium Capacity Mobile Vans. QLC divides the order received for shipping into two categories: "charted' and 'contracted', depending upon the choice of the customers. The differences between the two categories are the cost of transportation, reliability and the locking period of the couriered goods. 'Charted' mode involves higher cost; longer locking period but chances of the safe delivery of the couriered goods is much higher. QLC collected the data regarding frequency of the shipment sent last month. State the hypothesis and analyze the data at 10 % level of significance. Comment whether three types of shipments are equally likely to be used for both the categories.

, service	Heavy-Duty Trucks	Buses	Medium Capacit Mobile Vans
charted	12	13	55 11 99.353
contracted	18	7 DAGET .	6

B3. William C. Andrews, an organizational behavior consultant for Victory Motorcycles, has designed a test to show the company's supervisors the dangers of oversupervising their - workers. A worker from the assembly line is given a series of complicated tasks to perform. During the worker's performance, a supervisor constantly interrupts the worker to assist him or her in completing the tasks. The worker, upon completion of the tasks, is then given a psychological test designed to measure the worker's hostility toward authority (a high score equals low hostility). Eight different workers were assigned the tasks and then interrupted for the purpose of instructional assistance various numbers of times (line X). Their corresponding scores on the hostility test are revealed in line Y.

X (number of times worker interrupted)	5	10	10	15	15	20	20	25
Y (worker's score on hostility test)	58	41	45	27	26	12	16	3

- a. Develop the equation that best describes the relationship between the number of times interrupted and the test score.
- b. Predict the expected test score if the worker is interrupted 18 times.

SECTION C

Case: Metropolitan Research, Inc.,

Metropolitan Research, Inc., a consumer research organization, conducts surveys designed to evaluate a wide variety of products and services available to consumers. In one particular

study, Metropolitan looked at consumer satisfaction with the performance of automobiles produced by a major Detroit manufacturer. A questionnaire sent to owners of one of the manufacturer's full-sized cars reviewed several complaints about early transmission problems. Nationwide, the population mean mileage is 80,000 miles, with a population standard deviation of 18,000 miles.

To learn more about the transmission failures, Metropolitan used a sample of actual transmission repairs provided by a transmission repair firm in the Detroit area. The following data show the actual number of miles driven for 50 vehicles at the time of transmission failure.

85092	66998	77437	79294	121352
39323	67202	116803	138114	69922
64342	89341	59817	64090	86813
74276	88798	72069	63436	85586
74425	59465	53500	95774	59902
37831	94219	85288	77098	85861
77539	67998	32534	64544	69568
32609	40001	92857	53402	35662
89641	118444	101769	32464	116269
61978	73341	25066	65605	82256

For the sample descriptive statistics are:

	N	MEAN	STDEV	MIN	MAX
MILES	50	73340	24899	25066	13811

Prepare a managerial report summarizing the results of the survey. Your report should address the following issue.

a) Using the data provided above, what is the standard error of the mean? Calculate the probability that a simple random sample of 50 vehicles that will provide an estimate of the population mean mileage at transmission failure within +/- 4,000

miles of the population mean. Clearly state your conclusions based on this information.

- b) At 95% confidence, what is the margin of error? What is the 95% confidence interval estimate of the population mean? Clearly state your conclusions based on this information.
- c) Use hypothesis testing to determine whether the sample data support the conclusion that the mean mileage of vehicles produced by this manufacturer is lower than the national average mileage at transmission failure. Be sure to clearly state your hypotheses. Include the test statistic, rejection rule, and conclusions in your answer.

Some important Formulae

$$P(x) = \binom{n}{x} p^{x} q^{(n-x)} = \frac{n!}{x!(n-x)!} p^{x} q^{(n-x)} \qquad ; \mu = np \quad ; \sigma^{2} = npq$$

$$P(x) = \frac{\mu^{X} e^{-\mu}}{x!}$$
 for $x = 1,2,3,...$; $z = \frac{x - \mu}{\sigma}$

$$\frac{\overline{X} - \mu}{\sigma/\sqrt{n}}$$

$$\frac{X-\mu}{s/\sqrt{n}}$$

$$\frac{\hat{p} - p}{\sqrt{\frac{p(1-p)}{n}}}$$

$$\frac{\bar{X} - \mu_0}{\sigma / \sqrt{n}}$$

$$\frac{\overline{X} - \mu_0}{s/\sqrt{n}}$$

$$\frac{(\hat{p} - p_0)}{\sqrt{\frac{p_0(1 - p_0)}{n}}}$$

$$\bar{x} \pm z_{\alpha}/2 \frac{\sigma}{\sqrt{n}}$$

$$\overline{X} \pm t_{(\frac{\alpha}{2},n-1)} \frac{s}{\sqrt{n}}$$

$$n = \frac{(z_{0x}/2)^2 \sigma^2}{E^2}$$

Finite Correction Factor :
$$\sqrt{\frac{N-n}{N-1}}$$

$$N\overline{X} \pm N \left(t_{\alpha/2,n-1}\right) \frac{S}{\sqrt{n}} \sqrt{\frac{(N-n)}{(N-1)}}$$

$$SS(B) = \sum_{i=1}^{k} n_i (\overline{x}_i - \overline{\overline{x}})^2$$

$$X^2 = \sum \frac{(f_o - f_e)^2}{f_e}$$

$$SS(W) = \sum_{i=1}^{k} df_i s_i^2$$

$$d.f = n-1$$

$$F_{(k-1,n-k \text{ at } \alpha)} = \frac{MSB}{MSW}$$

$$Y_i = b_0 + b_1 X$$

$$b_0 = \overline{y} - b_1 \overline{x}$$

$$b_1 = \frac{\sum xy - \frac{\sum x \sum y}{n}}{\sum x^2 - \frac{(\sum x)^2}{n}}$$

$$b_1 = \frac{\sum (x - \overline{x})(y - \overline{y})}{\sum (x - \overline{x})^2}$$

APPENDIX

Δ

EXACT BINOMIAL PROBABILITIES



$oldsymbol{\pi}$																		
n	X	.01	.02	.05	.10	.15	.20	.30	.40	.50	.60	.70	.80	.85	.90	.95	.98	.99
2	0	.9801	.9604	.9025	.8100	.7225	.6400	.4900	.3600	.2500	.1600	.0900	.0400	.0225	.0100	.0025	.0004	.000
	1	.0198	.0392	.0950	.1800	.2550	.3200	.4200	.4800	.5000	.4800	.4200	.3200	.2550	.1800	.0950	.0392	.019
	2	.0001	.0004	.0025	.0100	.0225	.0400	.0900	.1600	.2500	.3600	.4900	.6400	.7225	.8100	.9025	.9604	.980
3	0	.9703	.9412	.8574	.7290	.6141	.5120	.3430	.2160	.1250	.0640	.0270	.0080	.0034	.0010	.0001		-
	1	.0294	.0576	.1354	.2430	.3251	.3840	.4410	.4320	.3750	.2880	.1890	.0960	.0574	.0270	.0071	.0012	.00
	2	.0003	.0012	.0071	.0270	.0574	.0960	.1890	.2880	.3750	.4320	.4410	.3840	.3251	.2430	.1354	.0576	.02
	3			.0001	.0010	.0034	.0080	.0270	.0640	.1250	.2160	.3430	.5120	.6141	.7290	.8574	.9412	.97
															0001			
1	0	.9606	.9224	.8145	.6561	.5220	.4096	.2401	.1296	.0625	.0256	.0081	.0016	.0005	.0001		=	
	1	.0388	.0753	.1715	.2916	.3685	.4096	.4116	.3456	.2500	.1536	.0756	.0256	.0115	.0036	.0005		-
	2	.0006	.0023	.0135	.0486	.0975	.1536	.2646	.3456	.3750	.3456	.2646	.1536	.0975	.0486	.0135	.0023	.00
	3			.0005	.0036	.0115	.0256	.0756	.1536	.2500	.3456	.4116	.4096	.3685	.2916	.1715	.0753	.03
	4				.0001	.0005	.0016	.0081	.0256	.0625	.1296	.2401	.4096	.5220	.6561	.8145	.9224	.96
5	0	.9510	.9039	.7738	.5905	.4437	.3277	.1681	.0778	.0313	.0102	.0024	.0003	.0001	-		_	Q. H
	1	.0480	.0922	.2036	.3281	.3915	.4096	.3602	.2592	.1563	.0768	.0284	.0064	.0022	.0005	_		-
	2	.0010	.0038	.0214	.0729	.1382	.2048	.3087	.3456	.3125	.2304	.1323	.0512	.0244	.0081	.0011	.0001	
	3		.0001	.0011	.0081	.0244	.0512	.1323	.2304	.3125	.3456	.3087	.2048	.1382	.0729	.0214	.0038	.00
	4	_			.0005	.0022	.0064	.0284	.0768	.1563	.2592	.3602	.4096	.3915	.3281	.2036	.0922	.04
	5		_	_	-	.0001	.0003	.0024	.0102	.0313	.0778	.1681	.3277	.4437	.5905	.7738	.9039	.95
	0	.9415	.8858	.7351	.5314	.3771	.2621	.1176	.0467	.0156	.0041	.0007	.0001				1	1
	1	.0571	.1085	.2321	.3543	.3993	.3932	.3025	.1866	.0938	.0369	.0102	.0015	.0004	.0001		-	_
	2	.0014	.0055	.0305	.0984	.1762	.2458	.3241	.3110	.2344	.1382	.0595	.0154	.0055	.0012	.0001		ar too dale
	3	.0014	.0002	.0021	.0146	.0415	.0819	.1852	.2765	.3125	.2765	.1852	.0819	.0415	.0146	.0021	.0002	
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	0	.9321	.8681	.6983	.4783	.3206	.2097	.0824	.0280	.0078	.0016	.0002					-	
	1	.0659	.1240	.2573	.3720	.3960	.3670	.2471	.1306	.0547	.0172	.0036	.0004	.0001			_	-
	2	.0020	.0076	.0406	.1240	.2097	.2753	.3177	.2613	.1641	.0774	.0250	.0043	.0012	.0002		-	_
	3		.0003	.0036	.0230	.0617	.1147	.2269	.2903	.2734	.1935	.0972	.0287	.0109	.0026	.0002		-
	4			.0002	.0026	.0109	.0287	.0972	.1935	.2734	.2903	.2269	.1147	.0617	.0230	.0036	.0003	-
	5			A	.0002	.0012	.0043	.0250	.0774	.1641	.2613	.3177	.2753	.2097	.1240	.0406	.0076	.00
	6	-				.0001	.0004	.0036	.0172	.0547	.1306	.2471	.3670	.3960	.3720	.2573	.1240	.06
	7			5 350				.0002	.0016	.0078	.0280	.0824	.2097	.3206	.4783	.6983	.8681	.93
	0	.9227	.8508	.6634	.4305	.2725	.1678	.0576	.0168	.0039	.0007	.0001	-		-	_	-	-
	1	.0746	.1389	.2793	.3826	.3847	.3355	.1977	.0896	.0313	.0079	.0012	.0001	_	-	_	-	
	2	.0026	.0099	.0515	.1488	.2376	.2936	.2965	.2090	.1094	.0413	.0100	.0011	.0002	-	_	-	-
	3	.0001	.0004	.0054	.0331	.0839	.1468	.2541	.2787	.2188	.1239	.0467	.0092	.0026	.0004	_	-	-
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	5	-			.0004	.0026	.0092	.0467	.1239	.2188	.2787	.2541	.1468	.0839	.0331	.0054	.0004	.00
	6	_			_	.0002	.0011	.0100	.0413	.1094	.2090	.2965	.2936	.2376	.1488	.0515	.0099	.00
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	8							.0001	.0007	.0039	.0168	.0576	.1678	.2725	.4305	.6634	.8508	.92
	0	0175	8327	6303	.3874	.2316	.1342	.0404	.0101	.0020	.0003				- TE-		<u> </u>	1
	1	.9135	.8337	.6302	.3874	.3679	.3020	.1556	.0605	.0020	.0035	.0004						
	2			.0629	.1722	.2597	.3020	.2668		.0703	.0033	.0039	.0003				-	
	3	.0034	.0006		.0446	.1069	.1762	.2668	.2508	.1641	.0743	.0210	.0028	.0006	.0001		-	
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	4		-	.0006	.0074	.0283	.0661	.1715	.2508	.2461	.1672	.0735	.0165					
	5			- Services	.0008	.0050	.0165	.0735	.1672	.2461	.2508	.1715	.0661	.0283	.0074	.0006	0006	00
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	8	_		-	_		-	.0004	.0035	.0176	.0605	.1556	.3020	.3679	.3874	.2985	.1531	.08
	9		-	-	-	-	number on	ACCRECATE OF	.0003	.0020	.0101	.0404	.1342	.2316	.3874	.6302	.8337	.91

n	X	.01	.02	.05	.10	.15	.20	20	40	50								
10	-							.30	.40	.50	.60	.70	.80	.85	90	.95	.98	.99
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	3		.0008													-	_	_
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	5			.0001			.0881	.2001	.2508						.0001	_	_	
	6						.0264				.2007			.0085	.0015	.0001	Day in a	-
	7				.0001		.0055				.2508	.2001	.0881	.0401	.0112	.0010		_
				-		.0001	.0008	.0090	.0425	.1172	.2150	.2668	.2013	.1298	.0574	.0105	.0008	.000
	8						.0001	.0014	.0106	.0439	.1209	.2335	.3020	.2759	.1937			.004
	9				-			.0001	.0016	.0098	.0403	.1211	.2684	.3474				.091
	10	_					-	-	.0001	.0010	.0060	.0282		.1969			.8171	.904
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	1	.1074	.1922		.3766		.0687	.0138	.0022	.0002					-	_	-	_
	2	.0060	.0216			.3012	.2062	.0712	.0174	.0029	.0003		-	-			_	
	3	.0002			.2301	.2924	.2835	.1678	.0639	.0161	.0025	.0002			-	-	-	-
	4		.0015		.0852	.1720	.2362	.2397	.1419	.0537	.0125	.0015	.0001					
			.0001	.0021	.0213	.0683	.1329	.2311	.2128	.1208	.0420	.0078	.0005	.0001				12
	5			.0002	.0038	.0193	.0532	.1585	.2270	.1934	.1009	.0291	.0033	.0006				
	6	- 7			.0005	.0040	.0155	.0792	.1766	.2256	.1766	.0792	.0155	.0040	.0005			
	7					.0006	.0033	.0291	.1009	.1934	.2270	.1585	.0532	.0193	.0038	.0002		
	8		-		-	.0001	.0005	.0078	.0420	.1208	.2128	.2311	.1329	.0683	.0213	.0021	.0001	100
	9						.0001	.0015	.0125	.0537	.1419	.2397	.2362	.1720	.0852			000
	10	-						.0002	.0025	.0161	.0639	.1678	.2835			.0173	.0015	.000
	11	-	-						.0003	.0029	.0174			.2924	.2301	.0988	.0216	.0060
	12											.0712	.2062	.3012	.3766	.3413	.1922	.107
1.4		0007								.0002	.0022	.0138	.0687	.1422	.2824	.5404	.7847	.8864
14	0	.8687	.7536	.4877	.2288	.1028	.0440	.0068	.0008	.0001								
	1	.1229	.2153	.3593	.3559	.2539	.1539	.0407	.0073	.0009	.0001							
	2	.0081	.0286	.1229	.2570	.2912	.2501	.1134	.0317	.0056	.0005							
	3	.0003	.0023	.0259	.1142	.2056	.2501	.1943	.0845	.0222	.0033	.0002						_
	4		.0001	.0037	.0349	.0998	.1720	.2290	.1549	.0611								_
	5	-		.0004	.0078	.0352	.0860				.0136	.0014						-
	6				.0013			.1963	.2066	.1222	.0408	.0066	.0003		- 		-	-
	7					.0093	.0322	.1262	.2066	.1833	.0918	.0232	.0020	.0003			-	- I
	8				.0002	.0019	.0092	.0618	.1574	.2095	.1574	.0618	.0092	.0019	.0002		-	_
	9					.0003	.0020	.0232	.0918	.1833	.2066	.1262	.0322	.0093	.0013			_
							.0003	.0066	.0408	.1222	.2066	.1963	.0860	.0352	.0078	.0004	16,100	
	10	-						.0014	.0136	.0611	.1549	.2290	.1720	.0998	.0349	.0037	.0001	_
	11							.0002	.0033	.0222	.0845	.1943	.2501	.2056	.1142	.0259	.0023	
	12	-		-	-				.0005	.0056	.0317	.1134	.2501	.2912	.2570			.0003
	13				-		4		.0001	.0009	.0073	.0407	.1539			.1229	.0286	.0081
	14	u line sita e.							.0001	.0001	.0008			.2539	.3559	.3593	.2153	.1229
c	0	0515	7220							.0001	.0008	.0068	.0440	.1028	.2288	.4877	.7536	.8687
6			.7238	.4401	.1853	.0743	.0281	.0033	.0003									
			.2363	.3706	.3294	.2097	.1126	.0228	.0030	.0002	_				-			
	2		.0362	.1463	.2745	.2775	.2111	.0732	.0150	.0018	.0001						5.75 (B)	
	3	.0005 .	0034	.0359	.1423	.2285	.2463	.1465	.0468	.0085	.0008							
	4	-	0002	.0061	.0514	.1311			.1014	.0278	.0040	.0002						
	5	-		The state of the s		TO THE REAL PROPERTY.		THE RESERVE OF THE PARTY OF THE	.1623	.0667	.0142	.0013						-
	6			.0001					.1983								-	_
	7									.1222	.0392	.0056	.0002					
	8									.1746	.0840	.0185	.0012	.0001		-	-	
	9									.1964		.0487	.0055	.0009	.0001			
	0										.1889	.1010	.0197	.0045	.0004			_
							0002	.0056	.0392	.1222	.1983			.0180	.0028	.0001		-
	1				-		-	.0013	.0142					.0555	.0137	.0008		
1		-		-	_									.1311				_
1								7								.0061	.0002	-
1	4		-												.1423	.0359	.0034	.0005
1	5			-													.0362	.0104
11																	.2363	.1376
	54 B.				a Carrier Par						.0003	.0033	.0281	.0743	.1853	.4401	.7238	.8515