PGDM (RM), 2015-17

Research Methodology

RM-306

Trimester – III, End-Term Examination: March 2016

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.

Section-A: Attempt any 3 out of 5 questions, each question carries 5 marks .

1. Discuss the concepts of Deductive and inductive logic with suitable illustration.

2. A sample of 87 professional working women showed that the average amount paid annually into a private pension fund per person was \$3,352. The population standard deviation is \$1,100. A sample of 76 professional working men showed that the average amount paid annually into a private pension fund per person was \$5,727, with a population standard deviation of \$1,700. A women's activist group wants to "prove" that women do not pay as much per year as men into private pension funds. If they use α = .001 and these sample data, will they be able to reject the null hypothesis that women annually pay the same as or more that men into private pension funds?

3. "Solution of a problem leads to another problem".dicuss this with two illustrations.

4. A research firm wants to conduct "A study of the effect of tips given by brokers to retail investors on the stock investments".
   a) Write two objectives of this study.
   b) Identify major variables of the study.

5. An experiment has been conducted for four treatments with eight blocks. Complete the following ANOVA table.

Source of Variation	Sum of Squares	Degrees of Freedom	Mean Square	F
Treatments	900	---	---	---
Blocks	400	---	---	
Error	---	---		
Total	1800			

Using $\alpha = 0.05$, test for any significance differences.

Section-B: Attempt any 2 out of 3 questions, each question carries 10 marks.

1. Compare and contrast completely randomized design, randomized complete block design and Latin square design.

2. In Hernandez, new employees are trained by seminar method and at the end they are tested to measure the knowledge about the company. Management decided to experiment with a different training procedure which process new employees by using videocassettes. If this procedure works, it could save company thousand dollars over a period of several years. However, there is some concern about the effectiveness of new method, and company managers would like to know whether there is any difference in the effectiveness of the two training methods.

   To test the difference in the two methods, the managers randomly select one group of 15 newly hired employees to take seminar methods (method A) and a second group of 12 new employees for the videocassette method (method B). The tables show the test scores of the two groups. Using significance level of 0.05, the managers want to determine whether there is a significant difference in the mean score of the two groups. They assume that the scores for this test are normally distributed and the unknown population variances are approximately equal.

Training Method A			Training Method B		
56	51	45	59	57	53
47	52	43	52	56	65
42	53	52	53	55	53
50	42	48	54	64	57
47	44	44			

   a) Describe the steps of hypothesis testing in connection with this problem. Construct suitable hypothesis.

   b) Justify the test statistics, what is your conclusion about the assertion?

3. To the Internal Revenue Service, the reasonableness of total itemized deductions depends on the taxpayer's adjusted gross income. Large educations, which include charity and medical deductions, are more reasonable for taxpayers with large adjusted gross incomes. If a taxpayer claims larger than average itemized deductions for a given level of income, the chances of an IRS audit are increased. Data (in thousands of dollars) on adjusted gross income and the average or reasonable amount of itemized deductions follow.

Adjusted Gross Income ($1000s)	Reasonable Amount of Itemized Deductions (41000s)
22	9.6
27	9.6
32	10.1
48	11.1
65	13.5
85	17.7
120	25.5

a) Develop a scatter diagram for these data with adjusted gross income as the independent variable.

b) Develop the estimated regression equation.

c) Estimate a reasonable level of total itemized deductions for a taxpayer with an adjusted gross income of $52,500.

Section – C: Compulsory Case Study (15 Marks)

Carton Packing

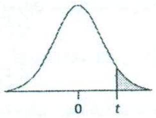
A cosmetics manufacturer's regional distribution center has four workstations that are responsible for packing cartons for shipment to small retailers. Each workstation is staffed by two workers. The task involves assembling each order, placing it in a shipping carton, inserting packing material, taping the carton, and placing a computer-generated shipping label on each carton. Generally, each station can pack 200 cartons a day, and often more. However, there is variability, due to differences in orders, labels, and cartons. Following table shows the number of cartons packed per day during a recent week. Is the variation among stations within the range attributable to chance, or do these samples indicate actual differences in the means?

Number of Cartons Packed

	Station 1	**Station 2**	**Station 3**	**Station 4**
	236	238	220	241
	250	239	236	233
	252	262	232	212
	233	247	243	231
	239	246	213	213
Sum	1210	1232	1144	1130
Mean	242	246.4	228.8	226
Standard Deviation	8.515	9.607	12.153	12.884

APPENDIX D

STUDENT'S *t* CRITICAL VALUES



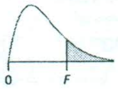
This table shows the *t*-value that defines the area for the stated degrees of freedom (ν).

	Confidence Level				
	.80	.90	.95	.98	.99
	Significance Level for Two-Tailed Test				
	.20	.10	.05	.02	.01
	Significance Level for One-Tailed Test				
ν	.10	.05	.025	.01	.005
1	3.078	6.314	12.706	31.821	63.656
2	1.886	2.920	4.303	6.965	9.925
3	1.638	2.353	3.182	4.541	5.841
4	1.533	2.132	2.776	3.747	4.604
5	1.476	2.015	2.571	3.365	4.032
6	1.440	1.943	2.447	3.143	3.707
7	1.415	1.895	2.365	2.998	3.499
8	1.397	1.860	2.306	2.896	3.355
9	1.383	1.833	2.262	2.821	3.250
10	1.372	1.812	2.228	2.764	3.169
11	1.363	1.796	2.201	2.718	3.106
12	1.356	1.782	2.179	2.681	3.055
13	1.350	1.771	2.160	2.650	3.012
14	1.345	1.761	2.145	2.624	2.977
15	1.341	1.753	2.131	2.602	2.947
16	1.337	1.746	2.120	2.583	2.921
17	1.333	1.740	2.110	2.567	2.898
18	1.330	1.734	2.101	2.552	2.878
19	1.328	1.729	2.093	2.539	2.861
20	1.325	1.725	2.086	2.528	2.845
21	1.323	1.721	2.080	2.518	2.831
22	1.321	1.717	2.074	2.508	2.819
23	1.319	1.714	2.069	2.500	2.807
24	1.318	1.711	2.064	2.492	2.797
25	1.316	1.708	2.060	2.485	2.787
26	1.315	1.706	2.056	2.479	2.779
27	1.314	1.703	2.052	2.473	2.771
28	1.313	1.701	2.048	2.467	2.763
29	1.311	1.699	2.045	2.462	2.756
30	1.310	1.697	2.042	2.457	2.750
31	1.309	1.696	2.040	2.453	2.744
32	1.309	1.694	2.037	2.449	2.738
33	1.308	1.692	2.035	2.445	2.733
34	1.307	1.691	2.032	2.441	2.728
35	1.306	1.690	2.030	2.438	2.724

	Confidence Level				
	.80	.90	.95	.98	.99
	Significance Level for Two-Tailed Test				
	.20	.10	.05	.02	.01
	Significance Level for One-Tailed Test				
ν	.10	.05	.025	.01	.005
36	1.306	1.688	2.028	2.434	2.719
37	1.305	1.687	2.026	2.431	2.715
38	1.304	1.686	2.024	2.429	2.712
39	1.304	1.685	2.023	2.426	2.708
40	1.303	1.684	2.021	2.423	2.704
41	1.303	1.683	2.020	2.421	2.701
42	1.302	1.682	2.018	2.418	2.698
43	1.302	1.681	2.017	2.416	2.695
44	1.301	1.680	2.015	2.414	2.692
45	1.301	1.679	2.014	2.412	2.690
46	1.300	1.679	2.013	2.410	2.687
47	1.300	1.678	2.012	2.408	2.685
48	1.299	1.677	2.011	2.407	2.682
49	1.299	1.677	2.010	2.405	2.680
50	1.299	1.676	2.009	2.403	2.678
55	1.297	1.673	2.004	2.396	2.668
60	1.296	1.671	2.000	2.390	2.660
65	1.295	1.669	1.997	2.385	2.654
70	1.294	1.667	1.994	2.381	2.648
75	1.293	1.665	1.992	2.377	2.643
80	1.292	1.664	1.990	2.374	2.639
85	1.292	1.663	1.988	2.371	2.635
90	1.291	1.662	1.987	2.368	2.632
95	1.291	1.661	1.985	2.366	2.629
100	1.290	1.660	1.984	2.364	2.626
110	1.289	1.659	1.982	2.361	2.621
120	1.289	1.658	1.980	2.358	2.617
130	1.288	1.657	1.978	2.355	2.614
140	1.288	1.656	1.977	2.353	2.611
150	1.287	1.655	1.976	2.351	2.609
∞	1.282	1.645	1.960	2.326	2.576

Note: As n increases, critical values of Student's t approach the z-values in the last line of this table. A common rule of thumb is to use z when $n > 30$, but that is *not* conservative.

CRITICAL VALUES OF $F_{.05}$



This table shows the 5 percent right-tail critical values of F for the stated degrees of freedom (ν).

Denominator Degrees of Freedom (ν_2)	Numerator Degrees of Freedom (ν_1)										
	1	2	3	4	5	6	7	8	9	10	12
1	161.4	199.5	215.7	224.6	230.2	234.0	236.8	238.9	240.5	241.9	243.9
2	18.51	19.00	19.16	19.25	19.30	19.33	19.35	19.37	19.38	19.40	19.41
3	10.13	9.55	9.28	9.12	9.01	8.94	8.89	8.85	8.81	8.79	8.74
4	7.71	6.94	6.59	6.39	6.26	6.16	6.09	6.04	6.00	5.96	5.91
5	6.61	5.79	5.41	5.19	5.05	4.95	4.88	4.82	4.77	4.74	4.68
6	5.99	5.14	4.76	4.53	4.39	4.28	4.21	4.15	4.10	4.06	4.00
7	5.59	4.74	4.35	4.12	3.97	3.87	3.79	3.73	3.68	3.64	3.57
8	5.32	4.46	4.07	3.84	3.69	3.58	3.50	3.44	3.39	3.35	3.28
9	5.12	4.26	3.86	3.63	3.48	3.37	3.29	3.23	3.18	3.14	3.07
10	4.96	4.10	3.71	3.48	3.33	3.22	3.14	3.07	3.02	2.98	2.91
11	4.84	3.98	3.59	3.36	3.20	3.09	3.01	2.95	2.90	2.85	2.79
12	4.75	3.89	3.49	3.26	3.11	3.00	2.91	2.85	2.80	2.75	2.69
13	4.67	3.81	3.41	3.18	3.03	2.92	2.83	2.77	2.71	2.67	2.60
14	4.60	3.74	3.34	3.11	2.96	2.85	2.76	2.70	2.65	2.60	2.53
15	4.54	3.68	3.29	3.06	2.90	2.79	2.71	2.64	2.59	2.54	2.48
16	4.49	3.63	3.24	3.01	2.85	2.74	2.66	2.59	2.54	2.49	2.42
17	4.45	3.59	3.20	2.96	2.81	2.70	2.61	2.55	2.49	2.45	2.38
18	4.41	3.55	3.16	2.93	2.77	2.66	2.58	2.51	2.46	2.41	2.34
19	4.38	3.52	3.13	2.90	2.74	2.63	2.54	2.48	2.42	2.38	2.31
20	4.35	3.49	3.10	2.87	2.71	2.60	2.51	2.45	2.39	2.35	2.28
21	4.32	3.47	3.07	2.84	2.68	2.57	2.49	2.42	2.37	2.32	2.25
22	4.30	3.44	3.05	2.82	2.66	2.55	2.46	2.40	2.34	2.30	2.23
23	4.28	3.42	3.03	2.80	2.64	2.53	2.44	2.37	2.32	2.27	2.20
24	4.26	3.40	3.01	2.78	2.62	2.51	2.42	2.36	2.30	2.25	2.18
25	4.24	3.39	2.99	2.76	2.60	2.49	2.40	2.34	2.28	2.24	2.16
26	4.23	3.37	2.98	2.74	2.59	2.47	2.39	2.32	2.27	2.22	2.15
27	4.21	3.35	2.96	2.73	2.57	2.46	2.37	2.31	2.25	2.20	2.13
28	4.20	3.34	2.95	2.71	2.56	2.45	2.36	2.29	2.24	2.19	2.12
29	4.18	3.33	2.93	2.70	2.55	2.43	2.35	2.28	2.22	2.18	2.10
30	4.17	3.32	2.92	2.69	2.53	2.42	2.33	2.27	2.21	2.16	2.09
40	4.08	3.23	2.84	2.61	2.45	2.34	2.25	2.18	2.12	2.08	2.00
50	4.03	3.18	2.79	2.56	2.40	2.29	2.20	2.13	2.07	2.03	1.95
60	4.00	3.15	2.76	2.53	2.37	2.25	2.17	2.10	2.04	1.99	1.92
120	3.92	3.07	2.68	2.45	2.29	2.18	2.09	2.02	1.96	1.91	1.83
200	3.89	3.04	2.65	2.42	2.26	2.14	2.06	1.98	1.93	1.88	1.80
∞	2.71	3.84	3.00	2.60	2.37	2.21	2.10	2.01	1.94	1.88	1.83

Denominator Degrees of Freedom (ν_2)	Numerator Degrees of Freedom (ν_1)										
	15	20	25	30	35	40	50	60	120	200	∞
1	245.9	248.0	249.3	250.1	250.7	251.1	251.8	252.2	253.3	253.7	254.3
2	19.43	19.45	19.46	19.46	19.47	19.47	19.48	19.48	19.49	19.49	19.50
3	8.70	8.66	8.63	8.62	8.60	8.59	8.58	8.57	8.55	8.54	8.53
4	5.86	5.80	5.77	5.75	5.73	5.72	5.70	5.69	5.66	5.65	5.63
5	4.62	4.56	4.52	4.50	4.48	4.46	4.44	4.43	4.40	4.39	4.37
6	3.94	3.87	3.83	3.81	3.79	3.77	3.75	3.74	3.70	3.69	3.67
7	3.51	3.44	3.40	3.38	3.36	3.34	3.32	3.30	3.27	3.25	3.23
8	3.22	3.15	3.11	3.08	3.06	3.04	3.02	3.01	2.97	2.95	2.93
9	3.01	2.94	2.89	2.86	2.84	2.83	2.80	2.79	2.75	2.73	2.71
10	2.85	2.77	2.73	2.70	2.68	2.66	2.64	2.62	2.58	2.56	2.54
11	2.72	2.65	2.60	2.57	2.55	2.53	2.51	2.49	2.45	2.43	2.41
12	2.62	2.54	2.50	2.47	2.44	2.43	2.40	2.38	2.34	2.32	2.30
13	2.53	2.46	2.41	2.38	2.36	2.34	2.31	2.30	2.25	2.23	2.21
14	2.46	2.39	2.34	2.31	2.28	2.27	2.24	2.22	2.18	2.16	2.13
15	2.40	2.33	2.28	2.25	2.22	2.20	2.18	2.16	2.11	2.10	2.07
16	2.35	2.28	2.23	2.19	2.17	2.15	2.12	2.11	2.06	2.04	2.01
17	2.31	2.23	2.18	2.15	2.12	2.10	2.08	2.06	2.01	1.99	1.96
18	2.27	2.19	2.14	2.11	2.08	2.06	2.04	2.02	1.97	1.95	1.92
19	2.23	2.16	2.11	2.07	2.05	2.03	2.00	1.98	1.93	1.91	1.88
20	2.20	2.12	2.07	2.04	2.01	1.99	1.97	1.95	1.90	1.88	1.84
21	2.18	2.10	2.05	2.01	1.98	1.96	1.94	1.92	1.87	1.84	1.81
22	2.15	2.07	2.02	1.98	1.96	1.94	1.91	1.89	1.84	1.82	1.78
23	2.13	2.05	2.00	1.96	1.93	1.91	1.88	1.86	1.81	1.79	1.76
24	2.11	2.03	1.97	1.94	1.91	1.89	1.86	1.84	1.79	1.77	1.73
25	2.09	2.01	1.96	1.92	1.89	1.87	1.84	1.82	1.77	1.75	1.71
26	2.07	1.99	1.94	1.90	1.87	1.85	1.82	1.80	1.75	1.73	1.69
27	2.06	1.97	1.92	1.88	1.86	1.84	1.81	1.79	1.73	1.71	1.67
28	2.04	1.96	1.91	1.87	1.84	1.82	1.79	1.77	1.71	1.69	1.66
29	2.03	1.94	1.89	1.85	1.83	1.81	1.77	1.75	1.70	1.67	1.64
30	2.01	1.93	1.88	1.84	1.81	1.79	1.76	1.74	1.68	1.66	1.62
40	1.92	1.84	1.78	1.74	1.72	1.69	1.66	1.64	1.58	1.55	1.51
50	1.87	1.78	1.73	1.69	1.66	1.63	1.60	1.58	1.51	1.48	1.44
60	1.84	1.75	1.69	1.65	1.62	1.59	1.56	1.53	1.47	1.44	1.39
120	1.75	1.66	1.60	1.55	1.52	1.50	1.46	1.43	1.35	1.32	1.26
200	1.72	1.62	1.56	1.52	1.48	1.46	1.41	1.39	1.30	1.26	1.19
∞	2.71	1.67	1.57	1.51	1.46	1.42	1.39	1.35	1.32	1.22	1.17

Some Useful Formulae

$$Z = \frac{\overline{X} - \mu_{\overline{X}}}{\sigma_{\overline{X}}} = \frac{\overline{X} - \mu}{\frac{\sigma}{\sqrt{n}}}$$

$$b = \frac{\sum XY - n\overline{X}\overline{Y}}{\sum X^2 - n\overline{X}^2}$$

$$a = \overline{Y} - b\overline{X}$$

$$\mu = n \cdot p$$
$$\sigma = \sqrt{n \cdot p \cdot q}$$

$$Z = \frac{X - \mu}{\sigma}$$

$$\chi^2 = \sum_{\text{all cells}} \frac{(f_o - f_e)^2}{f_e}$$

$$t = \frac{\overline{X} - \mu}{\frac{S}{\sqrt{n}}}$$

$$\bar{x} \pm z\frac{\sigma}{\sqrt{n}}$$

or

$$\bar{x} - z\frac{\sigma}{\sqrt{n}} \le \mu \le \bar{x} + z\frac{\sigma}{\sqrt{n}}$$

$$\overline{X} - Z\frac{\sigma}{\sqrt{n}}\sqrt{\frac{N-n}{N-1}} \le \mu \le \overline{X} + Z\frac{\sigma}{\sqrt{n}}\sqrt{\frac{N-n}{N-1}}$$

$$\sigma_{\bar{x}_1 - \bar{x}_2} = \sqrt{\frac{\sigma_1^2}{n_1} + \frac{\sigma_2^2}{n_2}}$$

$$\sigma_{\bar{x}} - \frac{\sigma}{\sqrt{n}}$$

$$t = \frac{(\bar{x}_1 - \bar{x}_2) - (\mu_1 - \mu_2)}{\sqrt{\frac{s_1^2(n_1 - 1) + s_2^2(n_2 - 1)}{n_1 + n_2 - 2}}\sqrt{\frac{1}{n_1} + \frac{1}{n_2}}}$$

$$\mu_{\bar{x}_1 - \bar{x}_2} = \mu_1 - \mu_2$$

$$t = \frac{\bar{d} - D}{\frac{s_d}{\sqrt{n}}}$$

$df = n - 1$

n = number of pairs

d = sample difference in pairs

D = mean population difference

s_d = standard deviation of sample difference

$\bar{d}$ = mean sample difference

$$z = \frac{(\bar{x}_1 - \bar{x}_2) - (\mu_1 - \mu_2)}{\sqrt{\frac{\sigma_1^2}{n_1} + \frac{\sigma_2^2}{n_2}}}$$

$$\bar{d} = \frac{\sum d}{n}$$

$$s_d = \sqrt{\frac{\sum(d - \bar{d})^2}{n-1}} = \sqrt{\frac{\sum d^2 - \frac{(\sum d)^2}{n}}{n-1}}$$