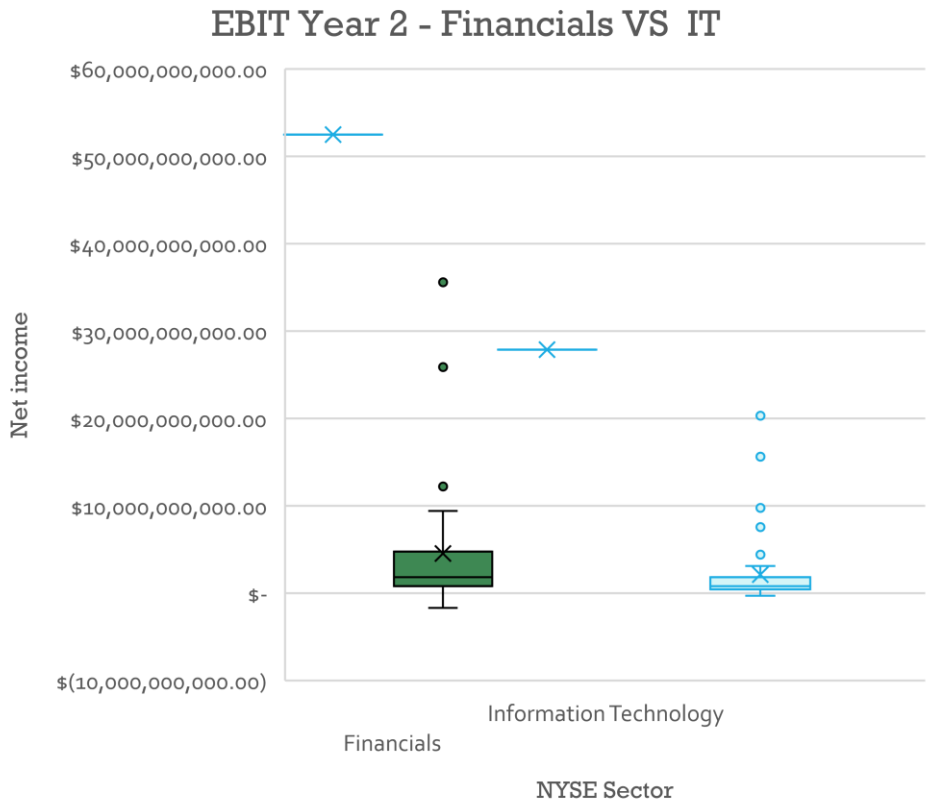
NYSE DATA PROJECT

By Nathaniel Martina

Does the IT or Financial sector provide better net income in year 2?



Based on the boxplots of for companies both in the IT and financial sector we could see that the IT sector has the highest possible net income out of the two sectors with a net income of $52,503,000,000 compared to the maximum value of $35,581,000,000 dollars for the financial sector.

On the boxplot to left we would see that the IT sectors has the widest range of values when considering the maximum and minimum values (MIN. - $ 286,074,000 – MAX. $52,503,000,000) compared to the values of financials ($ MIN. -1,684,000,000 – MAX. $35,581,000,000). As a result, the IT sector could potentially provide the widest set of net income values.

Yet if we look at the data more closely, the values between first quartile and third quartile, of the financial sector range between $819,154,000 – $4,762,500,000 compared respective figures of the IT which is $460,710,000 dollars - $1,827,250,000). Based on these figures on average the financial sector might have higher consistent net incomes when considering the interquartile ranges of the sample data..

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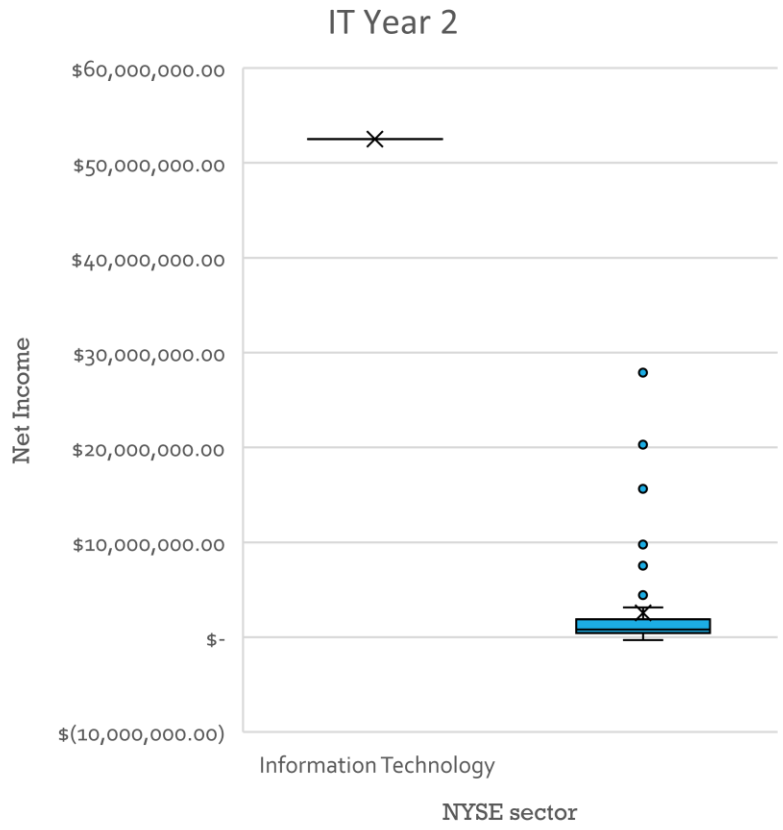

If we take a closer look at the individual boxplots of the different sectors, we could also see that almost 75%, of net incomes which includes the median $1,838,200,000, of the financial sectors net income values are below the mean of $ 452,6914,926. While in contrast with the IT sector almost 100% of the values are below the mean of $ 3,422,296,746. This observation provides more evidence that both sectors have a high degree variability of the net income, but the IT sector having the highest variability in the possible net income value.

Since for both sectors have a means that are significantly higher than their median, this also indicates that the distribution of the values is also skewed more upwards, with the IT sector being the most skewed as its median is $ 805,903,000. This observation can be explained by the more extreme values included in the distribution of the IT sector.

In fact, the standard deviation for the financial sector is $7,647,817,264, whereas IT sector it higher by $ 815,828,132. By taking all these factors into consideration the financial sector seems to have less variability in the possible ranges of value.

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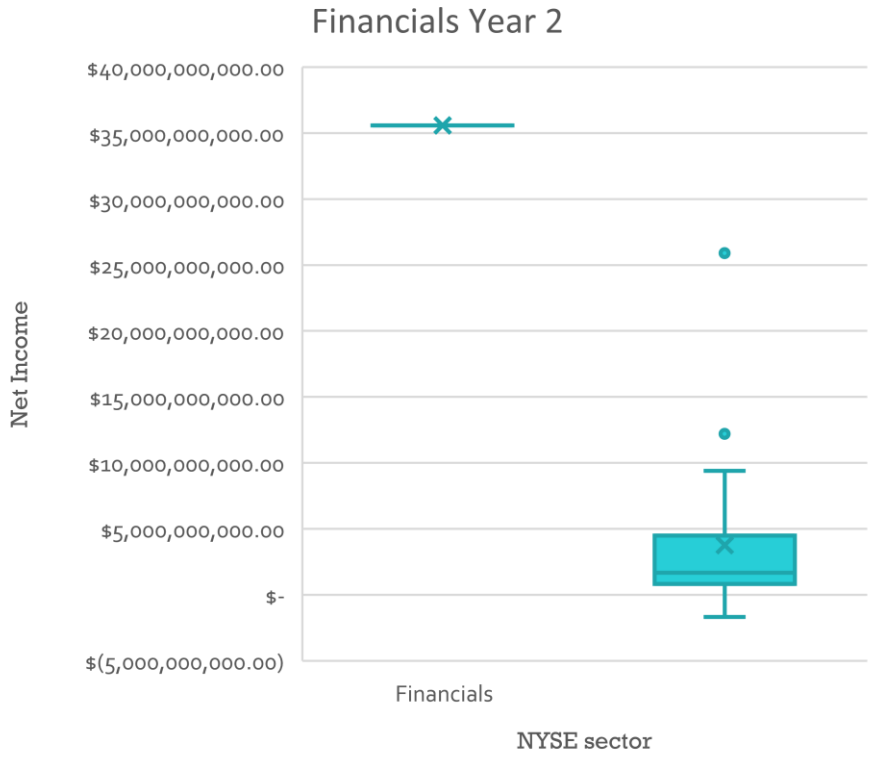

To conclude, based on the sample data the IT sector could provide more extreme outliers for the net income, but the financial sectors could consistently provide more higher values of net income between the two sectors based on the sample data.