

Mid-term Examination #1 (Take-home Part)

Due on 2/24/2014 before the start of the class session

The purpose of this first take-home exam is to make you comfortable with the software application (SPSS) and to learn how the software can be used to perform some elementary analyses of sample data (e.g., data input, variable transformations, descriptive statistics, etc.).

The Excel file "**CEO.xlsx**" contains information on the 1994 compensation of 800 Chief Executive Officers (CEOs) in the U.S.A. Specifically, the file contains the following variables:

<u>VARIABLE NAME</u>	<u>DESCRIPTION</u>
Industry	Industry Name
Company	Company Name
CEO	CEO - Name
STofBirth	CEO - State of Birth
Age	CEO - Age (Years)
Undergrad	CEO - Undergraduate School
UGDegree	CEO - Undergraduate Degree
Graduate	CEO - Graduate School
GradDegree	CEO - Graduate Degree
MBA	CEO - MBA Degree? (1=Yes, 0=No)
MSPhd	CEO - MS or PhD Degree (1=Yes, 0=No)
YrsFirm	CEO - No. of Years with the Company
YrsCEO	CEO - No. of Years as Company CEO
Salary	CEO - Base Salary in 1994
Bonus	CEO - Bonus in 1994
Other	CEO - Other Compensation in 1994
Stock_Gains	CEO - Stock Gains in 1994
TComp5Yrs	CEO - Total Compensation during last 5 Years
Sales	Company - Sales in 1994 (\$M)
Profits	Company - Profit in 1994 (\$M)
Return5Yrs	Company - Average ROI over the last 5 Years

1. Read the Excel file into SPSS and compute the 1994 CEO total compensation (i.e., Salary + Bonus + Other + Stock Gains). Optionally, save the revised data file in the SPSS data format for future use.

2. On average, salary and bonus each accounted for what percent of the 1994 CEO total compensation?
3. What percent of these CEOs had a graduate degree (either MS/MA or PhD) and what percent had an MBA degree?
4. Do a histogram of the CEOs state of birth and indicate in which state most CEOs were born.
5. Does the CEO total compensation correlate with company sales, profits and five year ROI? Please comment on the magnitude/strength and meaning of these correlations.
6. Compute the average CEO total compensation for each industry. In which industry CEOs are getting paid the most?
7. Draw a chart of CEOs total compensation (Y axis) against their number of years in the CEO position. Does the chart indicate that there is a strong correlation between CEO compensation and years in the position?

Please provide a copy of your software printout along with your answers.