



## **Centre of Distance and Online Education**

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<b>COURSE CODE &amp; NAME</b>	<b>DCM2104– BUSINESS STATISTICS</b>
<b>PROGRAM</b>	<b>B.COM</b>

## **SET-1**

**1. Statistical data are classified in respect of their characteristics. In lieu of this explain four types of classification of data.**

Data classification in statistics involves ways of organizing and categorizing data to simplify their analysis and interpretation. Here are four main types of data classification based on different characteristics:

### **1. Qualitative vs. Quantitative Classification**

**Qualitative Data:** This describes categories or attributes that do not have a numerical value but can be grouped based on characteristics or qualities. Examples include gender (male/female), nationality, or color of a product.

**Quantitative Data:** Consists of numerical values that can be measured or counted. Examples include age, income, and weight.

### **2. Geographical or Spatial Classification**

Classification of data is based on location or region. It helps to show how data vary by geography: for example, population distribution by country, rainfall by region, or economic activity by continent.

### **3. Chronological or Temporal Classification**

Data are arranged according to time or date. It is the representation of trend or pattern over a period. Examples include sales figures by year, monthly rainfall data, or annual GDP growth rates.

### **4. Frequency Distribution or Quantitative Classification**

This classification organizes data based on frequency intervals or ranges of values. It is commonly used in statistical analysis for quantitative data. Examples include grouping marks of students in ranges (0–20, 21–40, etc.) or categorizing income levels into different bands.

These types of classification provide a framework for organizing raw data in a structured way, therefore making it easier to analyze patterns, draw conclusions, and make decisions.

**2. In a correlation study, the following values are obtained.**

	<b>X</b>	<b>Y</b>
<b>Mean</b>	<b>65</b>	<b>67</b>
<b>S.D.</b>	<b>2.5</b>	<b>3.5</b>

**Coefficient of correlation,  $r = 0.8$ . Find the two regression equations.**

To find the **regression equations** in a correlation study, we use formulas for the regression lines of **Y on X** and **X on Y**.

**Given:**

- Mean of (X = 65)
- Mean of (Y = 67)
- Standard deviation of (X = 2.5)
- Standard deviation of (Y = 3.5)
- Coefficient of correlation (r = 0.8)

**Regression Equation of Y on X:**

$$Y - \bar{Y} = BYX (X - \bar{X})$$

**Where:**

$$BYX = 0.8 \times 3.5 / 2.5 = 0.8 \times 1.4 = 1.12$$

**Thus, the regression equation of Y on X is:**

$$Y - 67 = 1.12 (X - 65)$$

**Simplifying:**

$$Y = 1.12X - 72.8 + 67$$

$$Y = 1.12X - 5.8$$

**Regression Equation of X on Y:**

$$X - \bar{X} = BXY (Y - \bar{Y})$$

**Where:**

$$BXY = 0.8 \times 2.5 / 3.5 = 0.8 \times 0.714 = 0.571$$

**Thus, the regression equation of X on Y is:**

$$X - 65 = 0.571 (Y - 67)$$

**Simplifying:**

$$X = 0.571Y - 38.257 + 65$$

$$X = 0.571Y + 26.743$$

**Final Regression Equations:**

**1. Y on X: (Y = 1.12X - 5.8)**

**2. X on Y: (X = 0.571Y + 26.743)**

### **3.Explain the average with the features required for a good or an ideal average.**

#### Definition of Average

In statistics, an average is a measure that summarizes a set of data in terms of central tendency or typical value. It helps in analyzing and comparing data by giving a single value that reflects the general characteristics of the data set.

#### Types of Averages

Arithmetic Mean: Sum of all values divided by the number of values.

Median: The middle value when the data are arranged in order.

Mode: The most frequently occurring value in the data set.

#### Features of a Good or Ideal Average

An ideal average should have the following characteristics:

##### 1. Easy to implement and calculate

The average should be easy to comprehend and also easy to calculate so it could be widely in use.

##### 2. Representative of the Data

It should be representative of the entire data set, reflecting its central tendency.

It should not be affected much by extreme values (outliers).

##### 3. Rigorously Defined

The average has to be defined clearly and unambiguously in a way that it is universally understood.

##### 4. Based on All Observations

An ideal average should consider all values in the data set to provide a comprehensive summary.

##### 5. Capable of Further Mathematical Treatment

A good average should allow for further statistical analysis and computation.

##### 6. Stability

It should be relatively stable and not change significantly with small variations in the data.

##### 7. Unique Value

A good average should give a single value for a given data set.

## **SET-2**

### **4. Discuss Hypotheses and hypothesis testing in detail.**

#### Hypotheses and Hypothesis Testing

In statistics, a hypothesis is an assumption or statement about a population parameter that can be tested using statistical methods. Hypotheses are fundamental in research as they form the basis for scientific inquiry, guiding data collection and analysis to draw conclusions.

#### Types of Hypotheses:

##### 1. Null Hypothesis

The null hypothesis is a statement of no effect, no difference, or no relationship between variables. It is the default assumption to be tested.

Example: In an experiment to compare two methods of teaching, the null hypothesis may state that there is no difference in student performance between the methods.

##### 2. Alternative Hypothesis

The alternative hypothesis: This is the statement that the null hypothesis contradicts. It indicates that there is a real effect, difference, or relationship.

Example: The alternative hypothesis might say that students taught using Method A score higher than students taught using Method B.

#### Hypothesis Testing

Hypothesis testing is a statistical procedure to test a hypothesis by comparing sample data against a standard to decide whether there is sufficient evidence to reject the null hypothesis.

#### Steps in Hypothesis Testing

##### 1. Formulate the Hypotheses

State the null hypothesis and the alternative hypothesis

##### 2. Select the Level of Significance

The level of significance, commonly represented by the probability of rejecting a true null hypothesis. Typical values for the level of significance include 0.05 and 0.01.

### 3. Appropriate Test Statistic Selection

Based on the data type and study design, select a test statistic: Z-test, t-test, chi-square test, or ANOVA.

### 4. Find the Critical Value or p-value

The critical value is compared to the calculated test statistic, or a p-value is used to determine significance.

### 5. Calculate the Test Statistic

Calculate the test statistic using sample data under the selected approach.

### 6. Decision Rule

If the test statistic is greater than the critical value (or if  $p\text{-value} < \alpha$ ), reject the null hypothesis; otherwise, fail to reject it.

### Common Hypothesis Tests

1. Z-Test: Used for large samples when the population standard deviation is known.
2. t-Test: Used for small samples or when the population standard deviation is unknown.
3. Chi-Square Test: Tests categorical data for independence or goodness of fit.
4. ANOVA (Analysis of Variance): Compares means among more than two groups.

### Errors in Hypothesis Testing

1. Type I Error ( $\alpha$ ): Rejecting a true null hypothesis (false positive).
2. Type II Error ( $\beta$ ): Failure to reject a false null hypothesis (false negative).

**5.A study was carried out on the advertising methods of a brand of product. The unit sales achieved by five stores were recorded as under:**

	Store A	Store B	Store C	Store D	Store E
Method I	78	85	82	88	79
Method II	81	92	77	83	81
Method III	79	83	71	78	80

**Calculate the F-ratio, using ANOVA at 15% level of significance. Establish is there any significant difference between the sales made in the different states.**

We will use one-way ANOVA to find if there are significant differences between the means of sales using different advertising methods.

Null Hypothesis ( $H_0$ ): There is no significant difference between the mean sales of the three advertising methods.

Alternative Hypothesis ( $H_1$ ): There is a significant difference between the mean sales of the three advertising methods.

	Store A	Store B	Store C	Store D	Store E
Method I	78	85	82	88	79
Method II	81	92	77	83	81
Method III	79	83	71	78	80

Total Sum of Squares (SST)

$$SST = \sum X_{ij}^2 - N(\sum X_{..})^2 / 2$$

Where:

- $X_{ij}$  is each individual observation.
- $\sum X_{..}$  is the sum of all observations.
- $N$  is the total number of observations.

Group Sum of Squares (SSB)

$$SSB = \sum n_j (\sum X_j)^2 - N(\sum X_{..})^2$$

Where:

- $n_j$  is the number of observations for each group

Group Sum of Squares (SSW)

$$SSW = SST - SSB$$

Mean Squares:

$$MSB = SSB / k - 1$$

Where:

k is the number of groups

Group Mean Square (MSW)

$$MSW = SSW / N - k$$

Calculate the F-ratio

$$F = MSB / MSW$$

1. Total Sum of Squares (SST): 337.73
2. Between-Group Sum of Squares (SSB): 64.93
3. Within-Group Sum of Squares (SSW): 272.80
4. Mean Square Between Groups (MSB): 32.47
5. Mean Square Within Groups (MSW): 22.73
6. F-ratio: 1.43

Decision Rule

The F-ratio calculated is 1.43. To determine if this F-value is significant at a 15% level of significance ( $\alpha = 0.15$ ), we need the critical value from an F-distribution table with degrees of freedom:

- $df_1 = k - 1 = 2$  (between groups)
- $df_2 = N - k = 12$  (within groups)

We will now check the F-critical value using these degrees of freedom to decide if the F-ratio is significant.



### Critical Value and Decision

- F-critical value at 15% significance level: 2.23
- F-ratio calculated: 1.43

Since the calculated F-ratio (1.43) is less than the critical value (2.23), we fail to reject the null hypothesis.

### Conclusion

At the 15% level of significance, there is no significant difference between the sales achieved using the different advertising methods. Therefore, the sales performance across the three methods can be considered statistically similar.

## **6.What should be the ideal structure of a research report? Explain with the elements of the structure.**

An ideal structure of a research report ensures clarity, logical flow, and comprehensiveness, enabling readers to understand the study's purpose, methods, findings, and implications. The structure usually adopts a standard format with clearly defined sections. The following are the major components of a research report with descriptions.

### **1. Title Page**

Contains the title of the research, author's name, affiliation, date, and sometimes a brief subtitle.

Should be brief, informative, and relevant to the topic under discussion.

### **2. Abstract**

A summary of the whole report, usually 150-250 words, that covers the research problem, methods, major findings, and conclusions.

Facilitates readers' easy understanding of the purpose and results of the study.

### **3. Table of Contents**

Lists all major sections and subsections of the report along with page numbers.

Provides an organized overview of the report structure.

### **4. Introductio**

Explains the background, importance of the study, and the problem being addressed.

States the research objectives, hypotheses (if any), and significance of the research.

### **5. Literature Review**

A critique of the work done so far on the issue under investigation, including theories on it.

Specifies the gaps existing in the known literature that research will fill up.

## 6. Research Methodology

Describes the conduct of research.

Lists details on the following:

Research Design: Type of study (qualitative, quantitative, or mixed-methods).

Data Collection Methods: Surveys, experiments, observations, etc.

Sampling Techniques: How the sample was selected.

Tools and Techniques: Instruments used for measurement and analysis.

## 7. Data Analysis and Interpretation

Presents the data collected, often using tables, graphs, or charts.

Includes statistical analysis and interpretation of results.

## 8. Conclusion

Summary of key findings from the study.

Identifies major patterns, relationships, or trends.

## 9. Discussion

Comparing findings to past studies.

Discussing implications, theoretical contributions, and practical applications.

## 10. Conclusion

Restatement of main findings and importance.

Could include suggestions for further research.

## 11. Recommendations

Offers actionable recommendations based on the study if necessary

## 12. References Bibliography

It's a list of the sources that were used in the report, formatted using an approved citation style like APA, MLA, Chicago, etc.

### 13. Appendices

It contains supplementary material related to the report which may include raw data, detailed calculations, etc., or more documentation on specific topics.