NGOLE PHILIP MUSEE

STATA ASSIGNMENT

Question 1

Null hypothesis: The average price is 7000USD

Alternative hypothesis; The average price of a car is different from 7000USD

At 95% confidence level the p-value (0.0174) is less than the alpha value (0.05) and hence we reject the null hupothesis implying that the average price of a car is statistically different from 7000USD.

Question 2

Null hypothesis; Cars imported from foreign countries are more expensive than domestic cars.

Alternative hypothesis: cars imported from foreigh countries is less expensive than domestic cars.

At 95% confidence level, the p-value (0.3401) is greater than alpha value (0.05). hence we fail to reject null hypothesis therefore concluding that cars imported from foreign country are more expensive than domestic cars.

Question 3

Null hypothesis: The linear relationship between price and weight is not statistically significance.

Alternative hypothesis: The linear relationship between price and weight is statistically significant.

The p-value(0.00



Question 4

The following independent variables are statistically significant in predicting price of a car rep78, weight, and length because their p-value is less than 0.05

Price=12207.61-107.6681(mpg)+943.1564(rep78) +3.920286(weight)-108.6199(length) +8.000397(displacement)