17

UNIVERSITY OF COLOMBO, SRI LANKA

UNIVERSITY OF COLOMBO SCHOOL OF COMPUTING

BACHELOR OF SCIENCE IN INFORMATION SYSTEMS

Second Year Examination – Semester I – 2020

IS2105 – Business Statistics

TWO (2) HOURS

To be completed by the candidate

Examination Index No: .....

Important Instructions to candidates:

1. The medium of instruction and questions is **English**.
2. If a page or a part of this question paper is not printed, please inform the supervisor immediately.
3. Note that questions appear on both sides of the paper. If a page is not printed, please inform the supervisor immediately.
4. Write your index number on each and every page of the answer paper.
5. This paper has **4** questions and **13** pages.
6. Answer **ALL** questions. All questions carry equal marks (**25** marks).
7. Any electronic device capable of storing and retrieving text including electronic dictionaries and mobile phones are **not allowed**.
8. **Non-Programmable** calculators are **allowed**.
9. Statistical tables are attached to the question paper.

For Examiner's use only	
Question No	**Marks**
1	
2	
3	
4	
Total	

Index No: .....

Question 1

(a) A survey was carried out to recognize the best brand of computers in terms of their failure times. A sample of 150 computers was selected to analyze the failure times of computers with respect to the brand. Table 1 shows the failure times of each brand.

Table 1: Number of failure times by brand

Brand	Number of Failure Times		
	0-4	5-9	10-14
A	30	15	15
B	10	20	20
C	10	15	15

Using the information in Table 1, **draw the most suitable graph** to clarify each of the following statements separately and comment on the graphs.

(i)To get to know the distribution of the number of failure times. [3 Marks]

(ii) The best brand, based on the number of failure times. [5 Marks]

(b) A manufacturer of the electronic component is interested in determining the lifetime of a specific type of battery. The lifetimes of a sample of 20 batteries are shown below (in hours).

123	126	132	135	161	128	140	135	130	138
135	132	130	138	136	122	128	125	150	145

(i) Graphically represent the lifetimes of the sample of 20 batteries. [4 Marks]

(ii) Describe the distribution of the lifetimes of the batteries addressing the necessary features. [3 Marks]

(iii) Calculate **the best central and dispersion** summary measures for the above data (Specify the reason for the selection). [6 Marks]

(iv) Manufacturer thinks the battery with 161 hours of lifetime is an outlier observation. Do you think it is an outlier? Justify the answer. [4 marks]

Question 2

(a) Read the following case study and answer the following questions.

A study was created to test the effects of phone usage on working performance at a company. The researcher randomly selects 50 employees; 20 women and 30 men from the company and allowed them to use a phone during a working day and measured their percent of task completeness. For the same group, the next day, similar type of work was assigned, and they were not allowed to use the phone during the whole day. At the end of the day percent of the task completeness of each individual was measured.

(i) Identify the variables mentioned in this study and specify the type of the variable as qualitative or quantitative? [3 marks]

(ii) Is this an observational study or an experiment? Give reasons. [3 marks]

(iii) What is the design used in this study? [2 mark]

(b) The marks of a class of 10 students on a mid-term report and the final report are depicted in Table 2. The correlation between two variables is 0.645.

Table 2. Marks on mid-term and final report

Mid-term	77	50	81	72	81	94	96	56	70	40
Final	82	66	82	50	60	85	81	70	72	50

(i) Identify the explanatory and the response variables? Justify your choice. [3 marks]

(ii) Assuming data follow a linear relationship, estimate the linear regression line (show the calculations). [9 marks]

(iii) Using the regression equation, estimate the final examination marks of a student who received 75 marks on the mid-term report. [2 marks]

(iv)Determine the R square value and interpret it. [3 marks]

Question 3

(a) The wages for employees at ABC company is normally distributed with a mean of Rs. 40,000 and a standard deviation of Rs.15,000.

(i) What is the income level of the top 20% of the employees? [5 marks]

(ii) What percent of employees get a salary between Rs. 25,000 to Rs.50,000? [7 marks]

(iii) If a simple random sample of 36 employees is selected, what is the chance that their average wage will be less than Rs. 45,000? [6 marks]

(b) The amount spends monthly on transport by students at a university has a normal distribution with a standard deviation Rs. 500. For a simple random sample of 36 students, the average spent on transport is Rs.1500. Compute a 95% confidence interval for the average amount spend monthly on transportation by students at this university. [5 marks]

(c) Explain the 68-95-99.7 Rule. [2 Marks]

Question 4

(a) A researcher was interested in testing the hypothesis that eating fish makes one smarter, a simple random sample of 12 persons was given a fish oil supplement for one year, and then they were given an IQ test. Here are the results. In general, the average IQ test score is 110.

116 131 111 150 99 104 119 125 107 120 110 115

(i) State the null hypothesis and the alternative hypothesis. [3 Marks]

(ii) What is the value of the test statistic? [5 Marks]

(iii) Test the hypotheses at the significant level of 0.05 and state the conclusion. [6 Marks]

(iv) Compute the 95% confidence interval for the average IQ test score after taking fish oil supplement for one year. [5 Marks]

(b) Explain the following terms.

(i) P- value [3 Marks]

(ii) Confidence Interval [3 Marks]

Index No: .....

Normal Table

Table entry for z is the area under the standard Normal curve to the left of z.

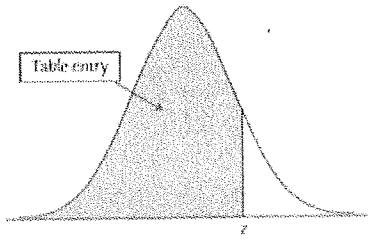

TABLE A Standard Normal cumulative proportions *(continued)*

z	.00	.01	.02	.03	.04	.05	.06	.07	.08	.09
0.0	.5000	.5040	.5080	.5120	.5160	.5199	.5239	.5279	.5319	.5359
0.1	.5398	.5438	.5478	.5517	.5557	.5596	.5636	.5675	.5714	.5753
0.2	.5793	.5832	.5871	.5910	.5948	.5987	.6026	.6064	.6103	.6141
0.3	.6179	.6217	.6255	.6293	.6331	.6368	.6406	.6443	.6480	.6517
0.4	.6554	.6591	.6628	.6664	.6700	.6736	.6772	.6808	.6844	.6879
0.5	.6915	.6950	.6985	.7019	.7054	.7088	.7123	.7157	.7190	.7224
0.6	.7257	.7291	.7324	.7357	.7389	.7422	.7454	.7486	.7517	.7549
0.7	.7580	.7611	.7642	.7673	.7704	.7734	.7764	.7794	.7823	.7852
0.8	.7881	.7910	.7939	.7967	.7995	.8023	.8051	.8078	.8106	.8133
0.9	.8159	.8186	.8212	.8238	.8264	.8289	.8315	.8340	.8365	.8389
1.0	.8413	.8438	.8461	.8485	.8508	.8531	.8554	.8577	.8599	.8621
1.1	.8643	.8665	.8686	.8708	.8729	.8749	.8770	.8790	.8810	.8830
1.2	.8849	.8869	.8888	.8907	.8925	.8944	.8962	.8980	.8997	.9015
1.3	.9032	.9049	.9066	.9082	.9099	.9115	.9131	.9147	.9162	.9177
1.4	.9192	.9207	.9222	.9236	.9251	.9265	.9279	.9292	.9306	.9319
1.5	.9332	.9345	.9357	.9370	.9382	.9394	.9406	.9418	.9429	.9441
1.6	.9452	.9463	.9474	.9484	.9495	.9505	.9515	.9525	.9535	.9545
1.7	.9554	.9564	.9573	.9582	.9591	.9599	.9608	.9616	.9625	.9633
1.8	.9641	.9649	.9656	.9664	.9671	.9678	.9686	.9693	.9699	.9706
1.9	.9713	.9719	.9726	.9732	.9738	.9744	.9750	.9756	.9761	.9767
2.0	.9772	.9778	.9783	.9788	.9793	.9798	.9803	.9808	.9812	.9817
2.1	.9821	.9826	.9830	.9834	.9838	.9842	.9846	.9850	.9854	.9857
2.2	.9861	.9864	.9868	.9871	.9875	.9878	.9881	.9884	.9887	.9890
2.3	.9893	.9896	.9898	.9901	.9904	.9906	.9909	.9911	.9913	.9916
2.4	.9918	.9920	.9922	.9925	.9927	.9929	.9931	.9932	.9934	.9936
2.5	.9938	.9940	.9941	.9943	.9945	.9946	.9948	.9949	.9951	.9952
2.6	.9953	.9955	.9956	.9957	.9959	.9960	.9961	.9962	.9963	.9964
2.7	.9965	.9966	.9967	.9968	.9969	.9970	.9971	.9972	.9973	.9974
2.8	.9974	.9975	.9976	.9977	.9977	.9978	.9979	.9979	.9980	.9981
2.9	.9981	.9982	.9982	.9983	.9984	.9984	.9985	.9985	.9986	.9986
3.0	.9987	.9987	.9987	.9988	.9988	.9989	.9989	.9989	.9990	.9990
3.1	.9990	.9991	.9991	.9991	.9992	.9992	.9992	.9992	.9993	.9993
3.2	.9993	.9993	.9994	.9994	.9994	.9994	.9994	.9995	.9995	.9995
3.3	.9995	.9995	.9995	.9996	.9996	.9996	.9996	.9996	.9996	.9997
3.4	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9998

Index No: .....

T table

Table entry for C is the critical value t^* required for confidence level C. To approximate one- and two-sided *P*-values, compare the value of the *t* statistic with the critical values of t^* that match the *P*-values given at the bottom of the table.

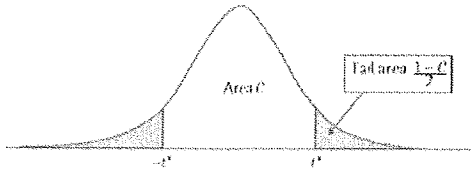

TABLE C *t* distribution critical values

	CONFIDENCE LEVEL C											
DEGREES OF FREEDOM	50%	60%	70%	80%	90%	95%	96%	98%	99%	99.5%	99.8%	99.9%
1	1.000	1.376	1.963	3.078	6.314	12.71	15.89	31.82	63.66	127.3	318.3	636.6
2	0.816	1.061	1.386	1.886	2.920	4.303	4.849	6.965	9.925	14.09	22.33	31.60
3	0.765	0.978	1.250	1.638	2.353	3.182	3.482	4.541	5.841	7.453	10.21	12.92
4	0.741	0.941	1.190	1.533	2.132	2.776	2.999	3.747	4.604	5.598	7.173	8.610
5	0.727	0.920	1.156	1.476	2.015	2.571	2.757	3.365	4.032	4.773	5.893	6.869
6	0.718	0.906	1.134	1.440	1.943	2.447	2.612	3.143	3.707	4.317	5.208	5.959
7	0.711	0.896	1.119	1.415	1.895	2.365	2.517	2.998	3.499	4.029	4.785	5.408
8	0.706	0.889	1.108	1.397	1.860	2.306	2.449	2.896	3.355	3.833	4.501	5.041
9	0.703	0.883	1.100	1.383	1.833	2.262	2.398	2.821	3.250	3.690	4.297	4.781
10	0.700	0.879	1.093	1.372	1.812	2.228	2.359	2.764	3.169	3.581	4.144	4.587
11	0.697	0.876	1.088	1.363	1.796	2.201	2.328	2.718	3.106	3.497	4.025	4.437
12	0.695	0.873	1.083	1.356	1.782	2.179	2.303	2.681	3.055	3.428	3.930	4.318
13	0.694	0.870	1.079	1.350	1.771	2.160	2.282	2.650	3.012	3.372	3.852	4.221
14	0.692	0.868	1.076	1.345	1.761	2.145	2.264	2.624	2.977	3.326	3.787	4.140
15	0.691	0.866	1.074	1.341	1.753	2.131	2.249	2.602	2.947	3.286	3.733	4.073
16	0.690	0.865	1.071	1.337	1.746	2.120	2.235	2.583	2.921	3.252	3.686	4.015
17	0.689	0.863	1.069	1.333	1.740	2.110	2.224	2.567	2.898	3.222	3.646	3.965
18	0.688	0.862	1.067	1.330	1.734	2.101	2.214	2.552	2.878	3.197	3.611	3.922
19	0.688	0.861	1.066	1.328	1.729	2.093	2.205	2.539	2.861	3.174	3.579	3.883
20	0.687	0.860	1.064	1.325	1.725	2.086	2.197	2.528	2.845	3.153	3.552	3.850
21	0.686	0.859	1.063	1.323	1.721	2.080	2.189	2.518	2.831	3.135	3.527	3.819
22	0.686	0.858	1.061	1.321	1.717	2.074	2.183	2.508	2.819	3.119	3.505	3.792
23	0.685	0.858	1.060	1.319	1.714	2.069	2.177	2.500	2.807	3.104	3.485	3.768
24	0.685	0.857	1.059	1.318	1.711	2.064	2.172	2.492	2.797	3.091	3.467	3.745
25	0.684	0.856	1.058	1.316	1.708	2.060	2.167	2.485	2.787	3.078	3.450	3.725
26	0.684	0.856	1.058	1.315	1.706	2.056	2.162	2.479	2.779	3.067	3.435	3.707
27	0.684	0.855	1.057	1.314	1.703	2.052	2.158	2.473	2.771	3.057	3.421	3.690
28	0.683	0.855	1.056	1.313	1.701	2.048	2.154	2.467	2.763	3.047	3.408	3.674
29	0.683	0.854	1.055	1.311	1.699	2.045	2.150	2.462	2.756	3.038	3.396	3.659
30	0.683	0.854	1.055	1.310	1.697	2.042	2.147	2.457	2.750	3.030	3.385	3.646
40	0.681	0.851	1.050	1.303	1.684	2.021	2.123	2.423	2.704	2.971	3.307	3.551
50	0.679	0.849	1.047	1.299	1.676	2.009	2.109	2.403	2.678	2.937	3.261	3.496
60	0.679	0.848	1.045	1.296	1.671	2.000	2.099	2.390	2.660	2.915	3.232	3.460
80	0.678	0.846	1.043	1.292	1.664	1.990	2.088	2.374	2.639	2.887	3.195	3.416
100	0.677	0.845	1.042	1.290	1.660	1.984	2.081	2.364	2.626	2.871	3.174	3.390
1000	0.675	0.842	1.037	1.282	1.646	1.962	2.056	2.330	2.581	2.813	3.098	3.300
z^*	0.674	0.841	1.036	1.282	1.645	1.960	2.054	2.326	2.576	2.807	3.091	3.291
One-sided *P*	.25	.20	.15	.10	.05	.025	.02	.01	.005	.0025	.001	.0005
Two-sided *P*	.50	.40	.30	.20	.10	.05	.04	.02	.01	.005	.002	.001