

Problem 1

2. B) Standardized and C) Normalized

Problem 2

3. Log Transformation

Problem 3

Mean for $x_1 = 2$

Mean for $x_2 = -9$

Deviations for $x_1 = [8-2, 4-2, 0-2, -4-2] = [6, 2, -2, -6]$

Deviations for $x_2 = [-16+9, -12+9, -10+9, 2+9] = [-7, -3, -1, 11]$

Products of deviations: $[-42, -6, 2, -66]$

Sum of products = -112

Sum of squared deviations for $x_1 = 36+4+4+36=80$

Sum of squared deviations for $x_2 = 49+9+1+121=180$

Computing the Pearson correlation coefficient:

$r = -112 / (\sqrt{80 \times 180})$

$r = -0.933$

Problem 4

1. x_1 or 2. x_2 can be removed depending on the target index