Exam 1 Review

In 2020, employees of Blizzard Entertainment circulated a spreadsheet to anonymously share salaries and recent pay increases amidst rising tension in the video game industry over wage disparities and executive compensation. (Source: Blizzard Workers Share Salaries in Revolt Over Pay)

The name of the data frame used for this analysis is `blizzard_salary` and the relevant variables are:

- `percent_incr`: Raise given in July 2020, as percent increase with values ranging from 1 (1% increase to 21.5 (21.5% increase)

- `salary_type`: Type of salary, with levels `Hourly` and `Salaried`

- `annual_salary`: Annual salary, in USD, with values ranging from $50,939 to $216,856.

- `performance_rating`: Most recent review performance rating, with levels `Poor`, `Successful`, `High`, and `Top`. The `Poor` level is the lowest rating and the `Top` level is the highest rating.

The top ten rows of `blizzard_salary` are shown below:

```
# A tibble: 409 x 4
   percent_incr salary_type annual_salary performance_rating
          <dbl> <chr>               <dbl> <chr>
 1            1 Salaried                1 High
 2            1 Salaried                1 Successful
 3            1 Salaried                1 High
 4            1 Hourly              33987. Successful
 5           NA Hourly              34798. High
 6           NA Hourly              35360  <NA>
 7           NA Hourly              37440  <NA>
 8            0 Hourly              37814. <NA>
 9            4 Hourly              41101. Top
10          1.2 Hourly              42328  <NA>
# i 399 more rows
```

Question 1

How rows observations are there in the `blizzard_salary` dataset and what does each row represent?

Question 2

Figure 1 and Figure 2 show the distributions of annual salaries of hourly and salaried workers. The two figures show the same data, with the facets organized across rows and across columns.
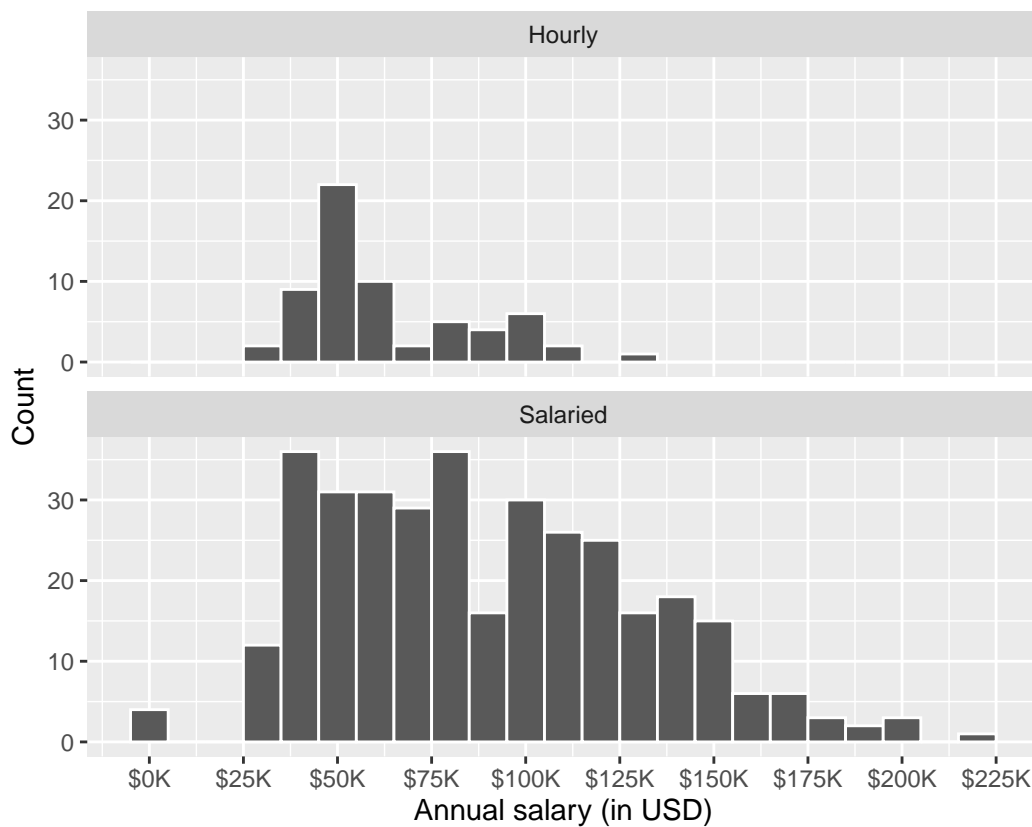

Figure 1: Distribution of annual salaries of Blizzard employees, Option 1

Which of the two figures is better for comparing the median annual salaries of hourly and salaried workers.
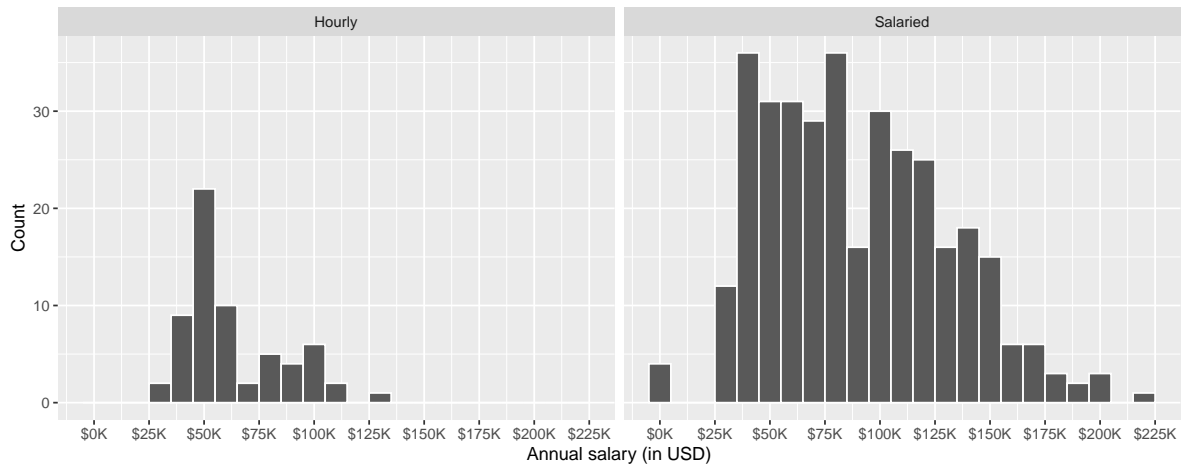
a. Figure 1
b. Figure 2

Figure 2: Distribution of annual salaries of Blizzard employees, Option 2

Question 2

Suppose your teammate wrote the following code as part of their analysis of the data.

They then printed out the results shown below. Unfortunately one of the number got erased from the printout, it's indicated with `_____` below.

```
# A tibble: 2 × 3
  salary_type mean_annual_salary median_annual_salary
  <chr>                    <dbl>                <dbl>
1 Hourly                   63003.               54246.
2 Salaried                 90183.               _____
```

Which of the following is the best estimate for that erased value?

a. 30,000
b. 50,000
c. 80,000
d. 100,000

Question 4

Which distribution has a higher standard deviation?

a. Hourly workers
b. Salaried workers
c. Roughly the same

Question 5

Which of the following alternate plots would also be useful for visualizing the distributions of annual salaries of hourly and salaried workers?

```
I.   Box plot
II.  Density plot
III. Pie chart
IV.  Waffle chart
```

    a. I
    b. I and II
    c. I, II, and III
    d. III and IV

Question 6

Next, you fit a model for predicting raises (`percent_incr`) from salaries (`annual_salary`). We'll call this model `raise_1_fit`. A tidy output of the model is shown below.

```
# A tibble: 2 x 5
  term           estimate  std.error statistic  p.value
  <chr>             <dbl>      <dbl>     <dbl>    <dbl>
1 (Intercept)    1.87       0.432          4.33 0.0000194
2 annual_salary 0.0000155 0.00000452      3.43 0.000669
```

Which of the following is the best interpretation of the slope coefficient?

    a. For every additional $1,000 of annual salary, the model predicts the raise to be higher, on average, by 1.55%.
    b. For every additional $1,000 of annual salary, the raise goes up by 0.0155%.
    c. For every additional $1,000 of annual salary, the model predicts the raise to be higher, on average, by 0.0155%.
    d. For every additional $1,000 of annual salary, the model predicts the raise to be higher, on average, by 1.87%.

Question 7

You then fit a model for predicting raises (`percent_incr`) from salaries (`annual_salary`) and performance ratings (`performance_rating`). We'll call this model `raise_2_fit`. Which of the following is definitely true based on the information you have so far?

   a. Intercept of `raise_2_fit` is higher than intercept of `raise_1_fit`.
   b. RMSE of `raise_2_fit` is higher than RMSE of `raise_1_fit`.
   c. Adjusted R^2 of `raise_2_fit` is higher than adjusted R^2 of `raise_1_fit`.
   d. Slope of R^2 of `raise_2_fit` is higher than slope of `raise_1_fit`.

Question 8

The tidy model output for the `raise_2_fit` model you fit is shown below.

```
# A tibble: 5 x 5
  term                         estimate  std.error statistic  p.value
  <chr>                           <dbl>      <dbl>     <dbl>    <dbl>
1 (Intercept)                      3.55     0.508       6.99 1.99e-11
2 annual_salary             0.00000989 0.00000436       2.27 2.42e- 2
3 performance_ratingPoor          -4.06     1.42       -2.86 4.58e- 3
4 performance_ratingSuccessful -2.40      0.397       -6.05 4.68e- 9
5 performance_ratingTop            2.99     0.715       4.18 3.92e- 5
```

When your teammate sees this model output, they remark "The coefficient for `performance_ratingSuccessful` is negative, that's weird. I guess it means that people who get successful performance ratings get lower raises." How would you respond to your teammate?

Question 9

Ultimately, your teammate decides they don't like the negative slope coefficients in the model output you created (not that there's anything wrong with negative slope coefficients!), does something else, and comes up with the following model output.

```
# A tibble: 5 x 5
  term                         estimate  std.error statistic   p.value
  <chr>                           <dbl>      <dbl>     <dbl>     <dbl>
1 (Intercept)                    -0.511     1.47      -0.347 0.729
2 annual_salary             0.00000989 0.00000436      2.27  0.0242
3 performance_ratingSuccessful   1.66      1.42        1.17  0.242
4 performance_ratingHigh         4.06      1.42        2.86  0.00458
```

```
5 performance_ratingTop          7.05          1.53           4.60  0.00000644
```

Unfortunately they didn't write their code in a Quarto document, instead just wrote some code in the Console and then lost track of their work. They remember using the `fct_relevel()` function and doing something like the following:

What should they put in the blanks to get the same model output as above?

  a. "Poor", "Successful", "High", "Top"
  b. "Successful", "High", "Top"
  c. "Top", "High", "Successful", "Poor"
  d. Poor, Successful, High, Top

Question 10

Finally, create the following two plots and ask you for help deciding which one to use in the final report for visualizing the relationship between performance rating and salary type. In 1-3 sentences, can you help them make a decision, justify your choice, and write the narrative that should go with the plot?
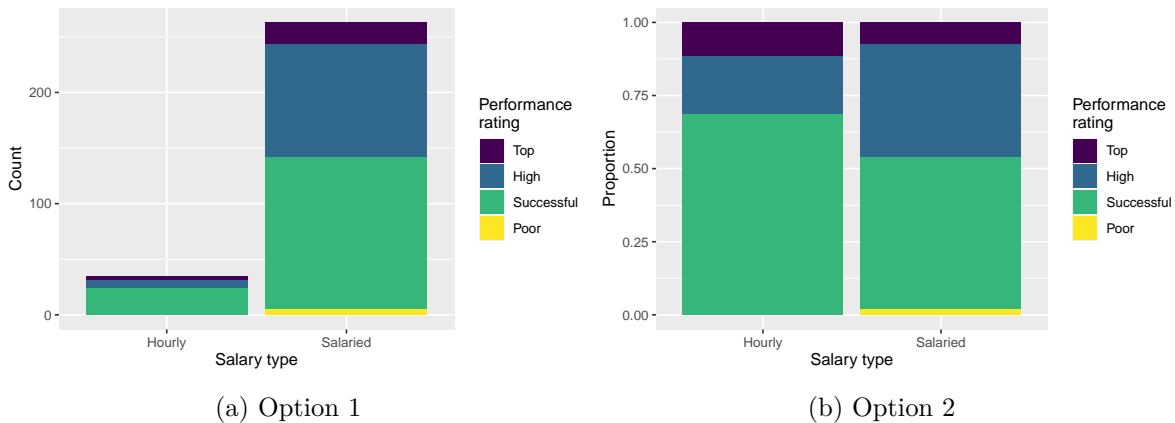

(a) Option 1   (b) Option 2

Figure 3: Distribution of salary type by performance rating

Question 11

A friend with a keen eye points out that the number of observations in Figure 3a seems lower than the total number of observations in `blizzard_salary`. What might be going on here? Explain your reasoning.

Question 11

Show the proportions of performance ratings for hourly and salaried workers in a table and ask students to place those numbers on the segments of the plot.

```
# A tibble: 4 x 3
  performance_rating Hourly Salaried
  <fct>               <dbl>    <dbl>
1 Successful          0.686    0.521
2 High                0.2      0.384
3 Top                 0.114    0.0760
4 Poor                0        0.0190
```

Question 12

Figure 4 is yet another visualization of the relationship between salary type and performance rating. What type of plot is ths, and what does it display that Figure 3b doesn't?
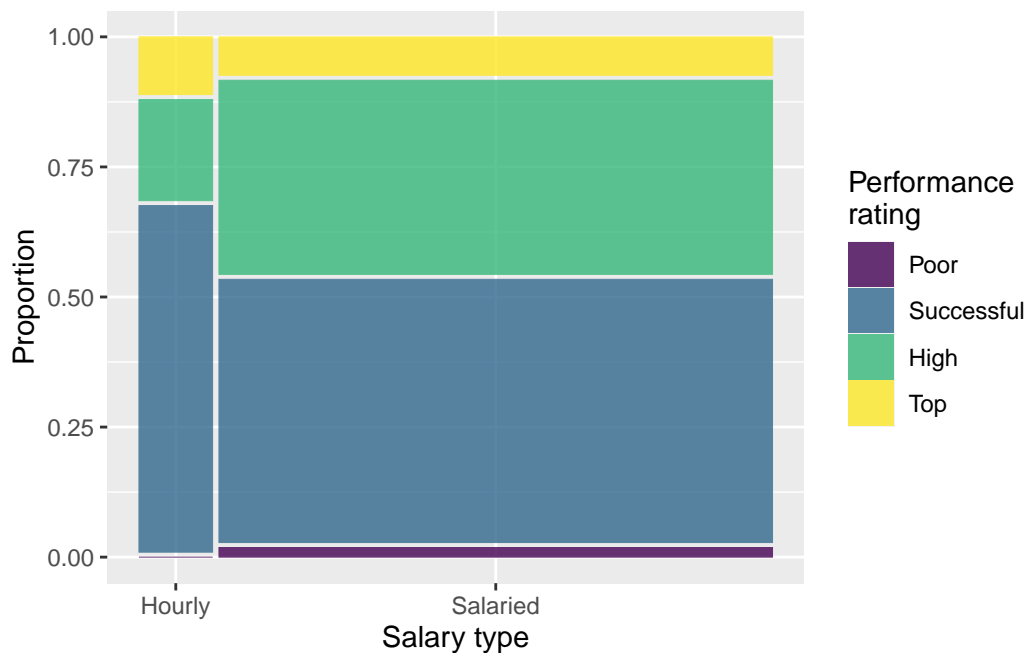

Figure 4: Another visualization of salary type by performance rating

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Question 13

Suppose we fit a model to predict `percent_incr` from `annual_salary` and `salary_type`. A tidy output of the model is shown below.

```
# A tibble: 3 x 5
  term                   estimate   std.error statistic p.value
  <chr>                     <dbl>       <dbl>     <dbl>   <dbl>
1 (Intercept)                1.24       0.570      2.18  0.0300
2 annual_salary        0.0000137  0.00000464       2.96  0.00329
3 salary_typeSalaried       0.913       0.544      1.68  0.0938
```

Which of the following visualizations represent this model? Explain your reasoning.

(a) Option 1
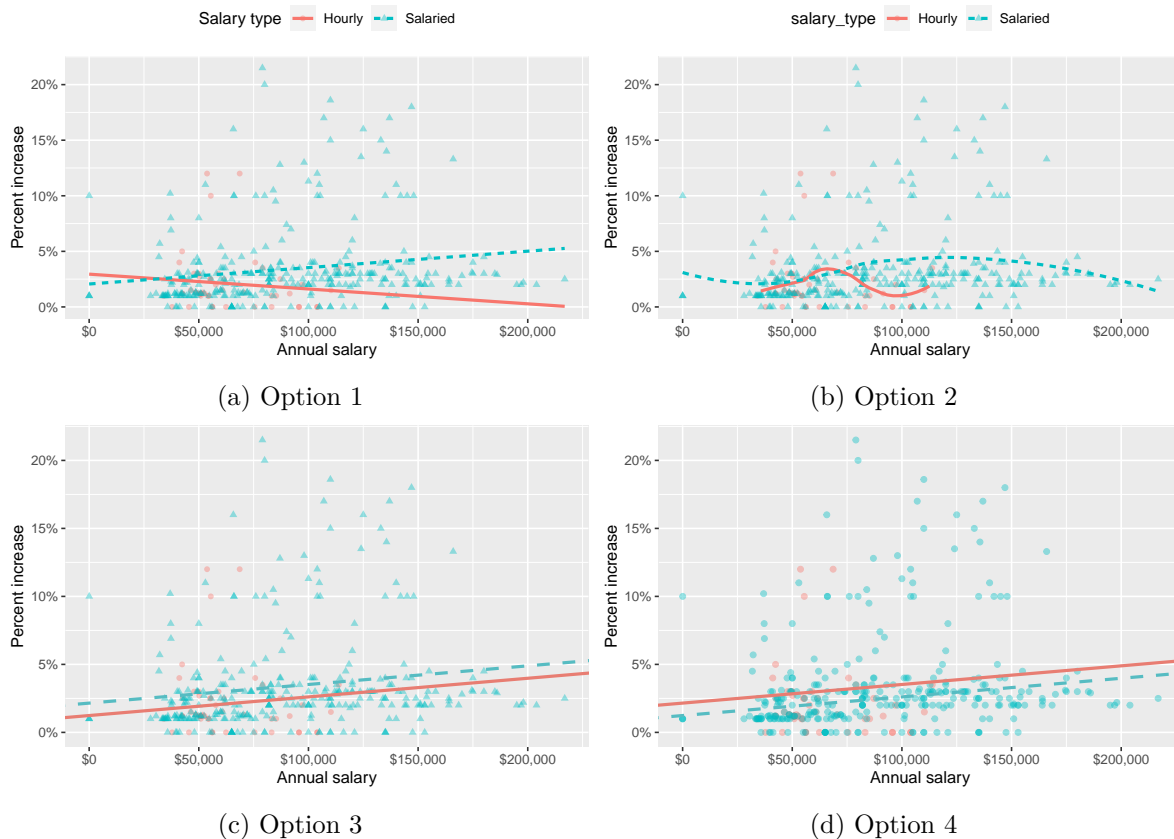
(b) Option 2

(c) Option 3

(d) Option 4

Figure 5: Visualizations of the relationship between percent increase, annual salary, and salary type

Question 14

Define the term parsimonious model.

Question 15

Pick a concept we introduced in class so far that you've been struggling with and explain it in your own words.