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1. d. 2. b 3. c 4. a 5. d 6. a

Problem 1. a) $\begin{cases} H_0: Y \sim T + X \\ H_a: Y \sim T + X + T:X \end{cases}$ Use partial F-test

the F-statistic result from table 1 is 0.2729 which larger than $\alpha = 0.05$, so we can't reject. So interaction term is statistically insignificant.

b. i) Sales = $9.2280 + 0.7400X + \varepsilon$ $\varepsilon \stackrel{iid}{\sim} N(0, \sigma^2)$

ii) Sales = $(9.2280 + 10.9320) + 0.7400X + \varepsilon$

iii) Sales = $(9.2280 + 13.0960) + 0.7400X + \varepsilon$

iv) They have same slope about X but have different intercepts

Because the slope is got by regression whole data and independent about treatment so the slope won't be influence by different treatment.

However different treatment will induce different intercept, because the slope of dummy variables are different with 0.

c). Yes. According to Figure 2, the p-value of treatment is $2.753e^{-09}$ which is much smaller than 0.05, then we can say treatment is statistically significant, i.e. Sales will vary according to Treatment.

Problem 2.

a) $y_{ij} = \mu + \alpha_i + \beta_j + (\alpha\beta)_{ij} + \varepsilon_{ijk}$, $\varepsilon_{ijk} \stackrel{iid}{\sim} N(0, \sigma^2)$.

y_{ij} is the number of hours in location i , weeks j .

μ is the intercept. α_i is the location i 's coefficient, where $\alpha_1 = 0$.
 $i = 1, 2, 3, 4$.

β_j is the week j 's coefficient where $\beta_1 = 0$.
 $j = 1, 2$.

$(\alpha\beta)_{ij}$ is the interaction term of location i , week j 's coefficient, where $i = 1, 2, 3, 4$ $j = 1, 2$.

$(\alpha\beta)_{ij} = 0$ if $i = 1$ or $j = 1$ or both.

b). $\begin{cases} H_0: Y \sim A + B \\ H_a: Y \sim A + B + A:B \end{cases}$ Use partial F-test. from Figure 4 we know p-value equals to 0.537593 which is much larger than 0.05 then we can't reject H_0 , so the interaction term is statistically insignificant.

Use partial F-test

(C) $\begin{cases} H_0: Y \sim A \\ H_2: Y \sim A \end{cases}$ or $\begin{cases} H_0: \alpha_2 = \alpha_3 = \alpha_4 = \alpha_1 = 0 \\ H_0: \text{Not all of them equal.} \end{cases}$ From Figure 6 we know the p-value is 7.22×10^{-5} which is much smaller than 0.05, so we can reject H_0 .

Interpret: Given the same week and other effects same, then we can say factor location is statistically significant. will influence the hours of use.

- d). location 2, 1 statistically indifferent.
- 3, 1 statistically indifferent.
- 4, 1 statistically indifferent if $\alpha = 0.05$ different if $\alpha = 0.1$.
- 3, 2 statistically indifferent. (4 larger).
- 4 statistically larger than 2.
- 4 statistically larger than 3.

we can know 4 is statistically highest frequency use location.

4 will incur highest use if other effects same.

e). i) $\bar{Y} = \frac{M_1 + M_2}{2} - \frac{M_3 + M_4}{2}$

ii). $\hat{L} = \frac{1}{2} (\hat{y}_1 + \hat{y}_2 - \hat{y}_3 - \hat{y}_4) = \frac{1}{2} \left(\frac{15.37 + 16.73}{2} + \frac{11.93 + 15.97}{2} - \frac{11.8 + 15.61}{2} - \frac{19.07 + 21.1}{2} \right)$

$= -1.91$.

$S_{\hat{L}} = \frac{MSE}{4} \left(\frac{1}{4} \times 4 \right) = \frac{3.389}{4} = 0.84725$

$L \in \hat{L} \pm 2.093 \cdot S_{\hat{L}} \Rightarrow L \in -1.91 \pm 2.093 \cdot \sqrt{0.84725}$