



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY**

FACULTY OF HEALTH AND APPLIED SCIENCES

DEPARTMENT OF MATHEMATICS AND STATISTICS

QUALIFICATION: BACHELOR OF ECONOMICS	
QUALIFICATION CODE: 07BECO	LEVEL: 6
COURSE CODE: SFE612S	COURSE NAME: STATISTICS FOR ECONOMISTS 2B
SESSION: NOVEMBER 2019	PAPER: THEORY
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
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INSTRUCTIONS
<ol style="list-style-type: none">1. Answer ALL the questions in the booklet provided.2. Show clearly all the steps used in the calculations.3. All written work must be done in blue or black ink and sketches must be done in pencil.4. Marks will not be awarded for answers obtained without showing the necessary steps leading to them (the answers).5. Decimal answers must be rounded to 4 decimals places

PERMISSIBLE MATERIALS

1. Non-programmable calculator without a cover.
2. Attached statistical tables (t-table, χ^2 -table and F-table).

THIS QUESTION PAPER CONSISTS OF 5 PAGES (Including this front page)

QUESTION 1 [20 MARKS]

To compare the effectiveness of four different teaching methods A, B, C, and D in teaching Statistics for Economists 2B, four groups were formed such that each group was taught using one and only one of these methods. At the end of the semester, a final examination was administered. The final marks were as shown in the table below. Assume the final marks are normally distributed.

Teaching Methods	Final Marks									Average
	A	35	40	30	34	40	42	45		
B	65	64	62	68	72	59				65
C	41	35	42	45	44	41	41	47		42
D	41	49	66	55	66	28	52	43		50

An incomplete ANOVA table for these data is shown below.

Sources of variation	SS	df	MS	F-ratio	p-value
Teaching method			918		0.000
Error					
Total	4266				

1.1 Complete the ANOVA table given above. [7]

1.2 Since the ANOVA F-test p-value < 0.01, there is sufficient evidence that at least one pair of these teaching methods were associated with significantly different average marks at 1% level. Complete the Fisher’s LSD post-hoc multiple comparison tests table below for these data and list all pairs of teaching methods with significant differences in mean marks at 1% level. [13]

[i]	[j]	$\bar{y}_i - \bar{y}_j$	$ \bar{y}_i - \bar{y}_j $	LSD_{ij}
A	B	-24	24	12.0584
	C	-4	4	11.2175
	D			
B	C			
	D			
C	D			

QUESTION 2 [15 MARKS]

The table below shows the two-way classification of 400 undergraduate students who were randomly selected from Namibia University of Science and Technology (NUST).

Number of cigarettes smoked per day	Level of cardio-vascular problems		
	None	Moderate	Severe
Less than 5	98	32	15
5 - 10	62	32	56
More than 10	20	25	60

Test, at 5% significance level, whether level cardio-vascular problems is related to number of cigarettes smoked per day among these students. [15]

QUESTION 3 [22 MARKS]

Consider the following data.

X	15	17	24	26	28	31
Y	105	128	152	177	189	197

Using Calculator REG MODE;

$$\sum X = 141, \sum Y = 948, \sum X^2 = 3511, \sum Y^2 = 156372, \sum XY = 23400$$

- 3.1 Compute the Pearson correlation coefficient and interpret it. [3]
- 3.2 Use appropriate hypothesis t-test to determine whether the correlation coefficient is significant at 2% level [5]
- 3.3 Fit a simple linear regression model for predicting Y given X. [4]
- 3.4 Compute the coefficient of determination and interpret it [3]
- 3.5 Compute the standard error of the estimate. [2]
- 3.6 Construct the 90% prediction interval for Y when X = 20. [5]

QUESTION 4 [20 MARKS]

A mortgage department of large bank loan is studying its recent loans. Of particular interest is how such factors as the value of the home (\$ thousands), education of the head of the household, age of the head of the household, current monthly mortgage payment (in dollars), and the gender of the head of the household (1= male, 0=female) related to the family income. Are the variables effective predictors of the income of the household? A random sample of 20 recent loans is obtained.

Given below is the SPSS multiple regression analysis output.

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28.242	2.986		9.459	.000
	Value	.029	.005	.786	5.769	.000
	Years of education	.650	.241	.427	2.693	.014
	Age	-.049	.031	-.251	-1.566	.134
	Mortgage	.000	.001	-.041	-.319	.753
	Gender	.723	.249	.348	2.901	.009

a. Dependent Variable: Income

Use the SPSS output given above to answer the following questions:

- 4.1 Write the general model for this type of variables [2]
- 4.2 Express the model for mortgage department's data as shown in the tables above. [3]
- 4.3 Interpret the coefficient of the value of the home and age of the head of the household. [2]
- 4.4 Construct the ANOVA table given that $MSR = 3.978$ and $SSE = 6.639$. [5]
- 4.5 Test for overall adequacy of the fitted model at 5% level? [5]
- 4.6 Suggest which variable(s) should be removed from the model and give reasons. [3]

QUESTION 5 [23 MARKS]

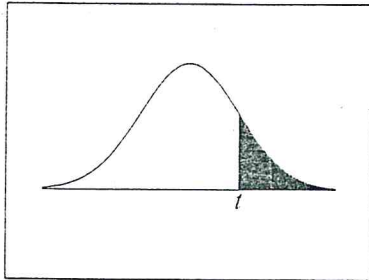
Consider the following time series data.

Week	Day	Sales (N\$ 1000.00)
1	Mon	2
	Tue	4
	Wed	7
	Thu	5
	Fri	4
2	Mon	7
	Tue	11
	Wed	12
	Thu	10
	Fri	8
3	Mon	12
	Tue	14
	Wed	15
	Thu	18
	Fri	11

- 5.1 Calculate the 5-period moving average sales for these data. [5]
5.2 Calculate the exponentially smoothed sales for these data using $w = 0.25$ [8]
5.3 Predict the sales on Thursday of the 4th week using OLS linear trend with zero-sum coded time [Use REG MODE only to find the sums and means]. [10]

END OF QUESTION PAPER

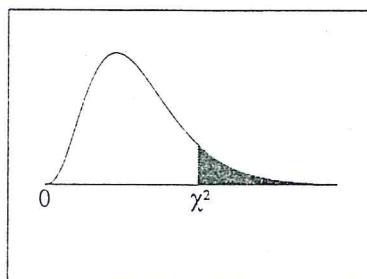
t-Distribution Table



The shaded area is equal to α for $t = t_\alpha$.

<i>df</i>	$t_{.100}$	$t_{.050}$	$t_{.025}$	$t_{.010}$	$t_{.005}$
1	3.078	6.314	12.706	31.821	63.657
2	1.886	2.920	4.303	6.965	9.925
3	1.638	2.353	3.182	4.541	5.841
4	1.533	2.132	2.776	3.747	4.604
5	1.476	2.015	2.571	3.365	4.032
6	1.440	1.943	2.447	3.143	3.707
7	1.415	1.895	2.365	2.998	3.499
8	1.397	1.860	2.306	2.896	3.355
9	1.383	1.833	2.262	2.821	3.250
10	1.372	1.812	2.228	2.764	3.169
11	1.363	1.796	2.201	2.718	3.106
12	1.356	1.782	2.179	2.681	3.055
13	1.350	1.771	2.160	2.650	3.012
14	1.345	1.761	2.145	2.624	2.977
15	1.341	1.753	2.131	2.602	2.947
16	1.337	1.746	2.120	2.583	2.921
17	1.333	1.740	2.110	2.567	2.898
18	1.330	1.734	2.101	2.552	2.878
19	1.328	1.729	2.093	2.539	2.861
20	1.325	1.725	2.086	2.528	2.845
21	1.323	1.721	2.080	2.518	2.831
22	1.321	1.717	2.074	2.508	2.819
23	1.319	1.714	2.069	2.500	2.807
24	1.318	1.711	2.064	2.492	2.797
25	1.316	1.708	2.060	2.485	2.787
26	1.315	1.706	2.056	2.479	2.779
27	1.314	1.703	2.052	2.473	2.771
28	1.313	1.701	2.048	2.467	2.763
29	1.311	1.699	2.045	2.462	2.756
30	1.310	1.697	2.042	2.457	2.750
32	1.309	1.694	2.037	2.449	2.738
34	1.307	1.691	2.032	2.441	2.728
36	1.306	1.688	2.028	2.434	2.719
38	1.304	1.686	2.024	2.429	2.712
∞	1.282	1.645	1.960	2.326	2.576

Chi-Square Distribution Table



The shaded area is equal to α for $\chi^2 = \chi^2_{\alpha}$.

<i>df</i>	$\chi^2_{.995}$	$\chi^2_{.990}$	$\chi^2_{.975}$	$\chi^2_{.950}$	$\chi^2_{.900}$	$\chi^2_{.100}$	$\chi^2_{.050}$	$\chi^2_{.025}$	$\chi^2_{.010}$	$\chi^2_{.005}$
1	0.000	0.000	0.001	0.004	0.016	2.706	3.841	5.024	6.635	7.879
2	0.010	0.020	0.051	0.103	0.211	4.605	5.991	7.378	9.210	10.597
3	0.072	0.115	0.216	0.352	0.584	6.251	7.815	9.348	11.345	12.838
4	0.207	0.297	0.484	0.711	1.064	7.779	9.488	11.143	13.277	14.860
5	0.412	0.554	0.831	1.145	1.610	9.236	11.070	12.833	15.086	16.750
6	0.676	0.872	1.237	1.635	2.204	10.645	12.592	14.449	16.812	18.548
7	0.989	1.239	1.690	2.167	2.833	12.017	14.067	16.013	18.475	20.278
8	1.344	1.646	2.180	2.733	3.490	13.362	15.507	17.535	20.090	21.955
9	1.735	2.088	2.700	3.325	4.168	14.684	16.919	19.023	21.666	23.589
10	2.156	2.558	3.247	3.940	4.865	15.987	18.307	20.483	23.209	25.188
11	2.603	3.053	3.816	4.575	5.578	17.275	19.675	21.920	24.725	26.757
12	3.074	3.571	4.404	5.226	6.304	18.549	21.026	23.337	26.217	28.300
13	3.565	4.107	5.009	5.892	7.042	19.812	22.362	24.736	27.688	29.819
14	4.075	4.660	5.629	6.571	7.790	21.064	23.685	26.119	29.141	31.319
15	4.601	5.229	6.262	7.261	8.547	22.307	24.996	27.488	30.578	32.801
16	5.142	5.812	6.908	7.962	9.312	23.542	26.296	28.845	32.000	34.267
17	5.697	6.408	7.564	8.672	10.085	24.769	27.587	30.191	33.409	35.718
18	6.265	7.015	8.231	9.390	10.865	25.989	28.869	31.526	34.805	37.156
19	6.844	7.633	8.907	10.117	11.651	27.204	30.144	32.852	36.191	38.582
20	7.434	8.260	9.591	10.851	12.443	28.412	31.410	34.170	37.566	39.997
21	8.034	8.897	10.283	11.591	13.240	29.615	32.671	35.479	38.932	41.401
22	8.643	9.542	10.982	12.338	14.041	30.813	33.924	36.781	40.289	42.796
23	9.260	10.196	11.689	13.091	14.848	32.007	35.172	38.076	41.638	44.181
24	9.886	10.856	12.401	13.848	15.659	33.196	36.415	39.364	42.980	45.559
25	10.520	11.524	13.120	14.611	16.473	34.382	37.652	40.646	44.314	46.928
26	11.160	12.198	13.844	15.379	17.292	35.563	38.885	41.923	45.642	48.290
27	11.808	12.879	14.573	16.151	18.114	36.741	40.113	43.195	46.963	49.645
28	12.461	13.565	15.308	16.928	18.939	37.916	41.337	44.461	48.278	50.993
29	13.121	14.256	16.047	17.708	19.768	39.087	42.557	45.722	49.588	52.336
30	13.787	14.953	16.791	18.493	20.599	40.256	43.773	46.979	50.892	53.672
40	20.707	22.164	24.433	26.509	29.051	51.805	55.758	59.342	63.691	66.766
50	27.991	29.707	32.357	34.764	37.689	63.167	67.505	71.420	76.154	79.490
60	35.534	37.485	40.482	43.188	46.459	74.397	79.082	83.298	88.379	91.952
70	43.275	45.442	48.758	51.739	55.329	85.527	90.531	95.023	100.425	104.215
80	51.172	53.540	57.153	60.391	64.278	96.578	101.879	106.629	112.329	116.321
90	59.196	61.754	65.647	69.126	73.291	107.565	113.145	118.136	124.116	128.299
100	67.328	70.065	74.222	77.929	82.358	118.498	124.342	129.561	135.807	140.169

F distribution critical value landmarks

Table entries are critical values for F^* with probably p in right tail of the distribution.

Figure of F distribution (like in Moore, 2004, p. 656) here.

		Degrees of freedom in numerator (df1)												
		p	1	2	3	4	5	6	7	8	12	24	1000	
Degrees of freedom in denominator (df2)	1	0.100	39.86	49.50	53.59	55.83	57.24	58.20	58.91	59.44	60.71	62.00	63.30	
		0.050	161.4	199.5	215.7	224.6	230.2	234.0	236.8	238.9	243.9	249.1	254.2	
		0.025	647.8	799.5	864.2	899.6	921.8	937.1	948.2	956.6	976.7	997.3	1017.8	
		0.010	4052	4999	5404	5624	5764	5859	5928	5981	6107	6234	6363	
		0.001	405312	499725	540257	562668	576496	586033	593185	597954	610352	623703	636101	
		2	0.100	8.53	9.00	9.16	9.24	9.29	9.33	9.35	9.37	9.41	9.45	9.49
			0.050	18.51	19.00	19.16	19.25	19.30	19.33	19.35	19.37	19.41	19.45	19.49
			0.025	38.51	39.00	39.17	39.25	39.30	39.33	39.36	39.37	39.41	39.46	39.50
			0.010	98.50	99.00	99.16	99.25	99.30	99.33	99.36	99.38	99.42	99.46	99.50
			0.001	998.38	998.84	999.31	999.31	999.31	999.31	999.31	999.31	999.31	999.31	999.31
		3	0.100	5.54	5.46	5.39	5.34	5.31	5.28	5.27	5.25	5.22	5.18	5.13
			0.050	10.13	9.55	9.26	9.12	9.01	8.94	8.89	8.85	8.74	8.64	8.53
			0.025	17.44	16.04	15.44	15.10	14.88	14.73	14.62	14.54	14.34	14.12	13.91
			0.010	34.12	30.82	29.46	28.71	28.24	27.91	27.67	27.49	27.05	26.60	26.14
			0.001	167.06	148.49	141.10	137.08	134.58	132.83	131.61	130.62	128.32	125.93	123.52
		4	0.100	4.54	4.32	4.19	4.11	4.05	4.01	3.98	3.95	3.90	3.83	3.76
			0.050	7.71	6.94	6.59	6.39	6.26	6.16	6.09	6.04	5.91	5.77	5.63
			0.025	12.22	10.65	9.98	9.60	9.36	9.20	9.07	8.98	8.75	8.51	8.26
			0.010	21.20	18.00	16.69	15.98	15.52	15.21	14.98	14.80	14.37	13.93	13.47
			0.001	74.13	61.25	56.17	53.43	51.72	50.52	49.65	49.00	47.41	45.77	44.09
		5	0.100	4.06	3.78	3.62	3.52	3.45	3.40	3.37	3.34	3.27	3.19	3.11
			0.050	6.61	5.79	5.41	5.19	5.05	4.95	4.88	4.82	4.68	4.53	4.37
			0.025	10.01	8.43	7.76	7.39	7.15	6.98	6.85	6.76	6.52	6.28	6.02
			0.010	16.26	13.27	12.06	11.39	10.97	10.67	10.46	10.29	9.89	9.47	9.03
			0.001	47.18	37.12	33.20	31.08	29.75	28.83	28.17	27.65	26.42	25.13	23.82
		6	0.100	3.78	3.46	3.29	3.18	3.11	3.05	3.01	2.98	2.90	2.82	2.72
			0.050	5.99	5.14	4.76	4.53	4.39	4.28	4.21	4.15	4.00	3.84	3.67
			0.025	8.81	7.26	6.60	6.23	5.99	5.82	5.70	5.60	5.37	5.12	4.86
			0.010	13.75	10.92	9.78	9.15	8.75	8.47	8.26	8.10	7.72	7.31	6.89
			0.001	35.51	27.00	23.71	21.92	20.80	20.03	19.46	19.03	17.99	16.90	15.77
		7	0.100	3.59	3.26	3.07	2.96	2.88	2.83	2.78	2.75	2.67	2.58	2.47
			0.050	5.59	4.74	4.35	4.12	3.97	3.87	3.79	3.73	3.57	3.41	3.23
			0.025	8.07	6.54	5.89	5.52	5.29	5.12	4.99	4.90	4.67	4.41	4.15
			0.010	12.25	9.55	8.45	7.85	7.46	7.19	6.99	6.84	6.47	6.07	5.66
			0.001	29.25	21.69	18.77	17.20	16.21	15.52	15.02	14.63	13.71	12.73	11.72
		8	0.100	3.46	3.11	2.92	2.81	2.73	2.67	2.62	2.59	2.50	2.40	2.30
			0.050	5.32	4.46	4.07	3.84	3.69	3.58	3.50	3.44	3.28	3.12	2.93
			0.025	7.57	6.06	5.42	5.05	4.82	4.65	4.53	4.43	4.20	3.95	3.68
			0.010	11.26	8.65	7.59	7.01	6.63	6.37	6.18	6.03	5.67	5.28	4.87
			0.001	25.41	18.49	15.83	14.39	13.48	12.86	12.40	12.05	11.19	10.30	9.36
		9	0.100	3.36	3.01	2.81	2.69	2.61	2.55	2.51	2.47	2.38	2.28	2.16
			0.050	5.12	4.25	3.86	3.63	3.48	3.37	3.29	3.23	3.07	2.90	2.71
			0.025	7.21	5.71	5.08	4.72	4.48	4.32	4.20	4.10	3.87	3.61	3.34
			0.010	10.56	8.02	6.99	6.42	6.06	5.80	5.61	5.47	5.11	4.73	4.32
			0.001	22.86	16.39	13.90	12.56	11.71	11.13	10.70	10.37	9.57	8.72	7.84

Critical values computed with Excel 9.0

		Degrees of freedom in numerator (df1)											
		1	2	3	4	5	6	7	8	12	24	1000	
Degrees of freedom in denominator (df2)	10	0.100	3.29	2.92	2.73	2.61	2.52	2.46	2.41	2.38	2.28	2.18	2.06
	0.050	4.96	4.10	3.71	3.48	3.33	3.22	3.14	3.07	2.91	2.74	2.54	
	0.025	6.94	5.46	4.83	4.47	4.24	4.07	3.95	3.85	3.62	3.37	3.09	
	0.010	10.04	7.56	6.55	5.99	5.64	5.39	5.20	5.06	4.71	4.33	3.92	
	0.001	21.04	14.90	12.55	11.28	10.48	9.93	9.52	9.20	8.45	7.64	6.78	
	12	0.100	3.18	2.81	2.61	2.48	2.39	2.33	2.28	2.24	2.15	2.04	1.91
	0.050	4.75	3.89	3.49	3.26	3.11	3.00	2.91	2.85	2.69	2.51	2.30	
	0.025	6.55	5.10	4.47	4.12	3.89	3.73	3.61	3.51	3.28	3.02	2.73	
	0.010	9.33	6.93	5.95	5.41	5.06	4.82	4.64	4.50	4.16	3.78	3.37	
	0.001	18.64	12.97	10.80	9.63	8.89	8.38	8.00	7.71	7.00	6.25	5.44	
	14	0.100	3.10	2.73	2.52	2.39	2.31	2.24	2.19	2.15	2.05	1.94	1.80
	0.050	4.60	3.74	3.34	3.11	2.96	2.85	2.76	2.70	2.53	2.35	2.14	
	0.025	6.30	4.86	4.24	3.89	3.66	3.50	3.38	3.29	3.05	2.79	2.50	
	0.010	8.86	6.51	5.56	5.04	4.69	4.46	4.28	4.14	3.80	3.43	3.02	
	0.001	17.14	11.78	9.73	8.62	7.92	7.44	7.08	6.80	6.13	5.41	4.62	
	16	0.100	3.05	2.67	2.46	2.33	2.24	2.18	2.13	2.09	1.99	1.87	1.72
	0.050	4.49	3.63	3.24	3.01	2.85	2.74	2.66	2.59	2.42	2.24	2.02	
	0.025	6.12	4.69	4.08	3.73	3.50	3.34	3.22	3.12	2.89	2.63	2.32	
	0.010	8.53	6.23	5.29	4.77	4.44	4.20	4.03	3.89	3.55	3.18	2.76	
	0.001	16.12	10.97	9.01	7.94	7.27	6.80	6.46	6.20	5.55	4.85	4.08	
18	0.100	3.01	2.62	2.42	2.29	2.20	2.13	2.08	2.04	1.93	1.81	1.66	
0.050	4.41	3.55	3.16	2.93	2.77	2.66	2.58	2.51	2.34	2.15	1.92		
0.025	5.98	4.56	3.95	3.61	3.38	3.22	3.10	3.01	2.77	2.50	2.20		
0.010	8.29	6.01	5.09	4.58	4.25	4.01	3.84	3.71	3.37	3.00	2.58		
0.001	15.38	10.39	8.49	7.46	6.81	6.35	6.02	5.76	5.13	4.45	3.69		
20	0.100	2.97	2.59	2.38	2.25	2.16	2.09	2.04	2.00	1.89	1.77	1.61	
0.050	4.35	3.49	3.10	2.87	2.71	2.60	2.51	2.45	2.28	2.08	1.85		
0.025	5.87	4.46	3.86	3.51	3.29	3.13	3.01	2.91	2.68	2.41	2.09		
0.010	8.10	5.85	4.94	4.43	4.10	3.87	3.70	3.56	3.23	2.86	2.43		
0.001	14.82	9.95	8.10	7.10	6.46	6.02	5.69	5.44	4.82	4.15	3.40		
30	0.100	2.88	2.49	2.28	2.14	2.05	1.98	1.93	1.88	1.77	1.64	1.46	
0.050	4.17	3.32	2.92	2.69	2.53	2.42	2.33	2.27	2.09	1.89	1.63		
0.025	5.57	4.18	3.59	3.25	3.03	2.87	2.75	2.65	2.41	2.14	1.80		
0.010	7.56	5.39	4.51	4.02	3.70	3.47	3.30	3.17	2.84	2.47	2.02		
0.001	13.29	8.77	7.05	6.12	5.53	5.12	4.82	4.58	4.00	3.36	2.61		
50	0.100	2.81	2.41	2.20	2.06	1.97	1.90	1.84	1.80	1.68	1.54	1.33	
0.050	4.03	3.18	2.79	2.56	2.40	2.29	2.20	2.13	1.95	1.74	1.45		
0.025	5.34	3.97	3.39	3.05	2.83	2.67	2.55	2.46	2.22	1.93	1.56		
0.010	7.17	5.06	4.20	3.72	3.41	3.19	3.02	2.89	2.56	2.18	1.70		
0.001	12.22	7.96	6.34	5.46	4.90	4.51	4.22	4.00	3.44	2.82	2.05		
100	0.100	2.76	2.36	2.14	2.00	1.91	1.83	1.78	1.73	1.61	1.46	1.22	
0.050	3.94	3.09	2.70	2.46	2.31	2.19	2.10	2.03	1.85	1.63	1.30		
0.025	5.18	3.83	3.25	2.92	2.70	2.54	2.42	2.32	2.08	1.78	1.36		
0.010	6.90	4.82	3.98	3.51	3.21	2.99	2.82	2.69	2.37	1.98	1.45		
0.001	11.50	7.41	5.86	5.02	4.48	4.11	3.83	3.61	3.07	2.46	1.64		
1000	0.100	2.71	2.31	2.09	1.95	1.85	1.78	1.72	1.68	1.55	1.39	1.08	
0.050	3.85	3.00	2.61	2.38	2.22	2.11	2.02	1.95	1.76	1.53	1.11		
0.025	5.04	3.70	3.13	2.80	2.58	2.42	2.30	2.20	1.96	1.65	1.13		
0.010	6.66	4.63	3.80	3.34	3.04	2.82	2.66	2.53	2.20	1.81	1.16		
0.001	10.89	6.96	5.46	4.65	4.14	3.78	3.51	3.30	2.77	2.16	1.22		

Use StaTable, WinPepi > WhatIs, or other reliable software to determine specific p values