Note: Chapter 22 can be found with the Online Content for this book. Index entries found in this chapter are denoted by chapter number 22, hyphen, and page number.

Page numbers followed by a $\mathbf{n}$ indicate a footnote.

## A

Acceptable quality level (AQL), 930n2
Acceptance criterion, 924
Acceptance sampling, 922-931
binomial probability function for, 925
computing the probability of accepting a lot, 924-927
KALI, Inc. example, 924
selecting plans for, 928-929
Accounting, 2
Addition law, 165-168
Additive decomposition models, 829-830
Adjusted multiple coefficient of determination, 655, 655 n 1
Aggregate price indexes, 765-767
computing from price relatives, 769-770
Air traffic controller stress test, 531-532
Alliance Data Systems, 561
Alpha to enter, 739-740, 743n1
Alpha to remove, 743 n 1
Alternative hypothesis, 349
as research hypothesis, 350-351
American Military Standard Table (MIL-STD-105D), 929
American Society for Quality (ASQ), 904
American Statistical Association
"Ethical Guidelines for Statistical Practice," 18-19
Analysis of variance (ANOVA), 508-537, 513n3, 513n4
assumptions for, 510
completely randomized designs and, 513-524
computer results for, 519-520
experimental design and, 508-513
for factorial experiments, 539
for randomized block design, 532-533
ANOVA. See Analysis of variance (ANOVA)
ANOVA tables, 518-519, 589-590
Approximate class width, formula for, 65
Area as a measure of probability, 235-236
Assignable causes, 909
Association between two variables, measures of, 115-124
Attributes sampling plans, 930n3
Autocorrelation, 750
Average outgoing quality limit (AOQL), 930n2
Averages, 14-15

## B

Backward elimination, 741
Baldridge, Malcolm, 906

Baldridge Index, 906
Baldridge National Quality Program (BNQP), 906
Bar charts, 14f1.5, 34-36, 45n1
Barnett, Bob, 906
Bayes' theorem, 157, 178-182, 183n1, 183n2
computing branch probabilities using, 960-965
tabular approach, 182
two-event case, 181
Bell curve. See also Normal curve, 238-240
Bell Labs, 218
Bell Telephone Company, 905
Bernoulli, Jakob, 208
Bernoulli process, 208
Best-subsets regression, 741-742
Between-treatments estimate of population variance, 514-515
Between-treatments estimate of $\sigma^{2}, 511-512,521 \mathrm{n} 2$
Bimodal data, 89
Binomial distribution
for acceptance sampling, 930n1
expected value and variance for, 214-215
Binomial experiments, 208-209
Binomial probabilities
normal approximation of, 250-252
tables, 213-214, 215n1, 215 n 2
Binomial probability distributions, 208
Binomial probability functions, 209, 212
Binomial sampling distribution, 861n2
Blocking, 530, 531
Bonferroni adjustment, 527-528
Bound on the sampling error, 22-7
Box plots, 110-111, 112n2
Burke Marketing Services, Inc., 507
Business Week, 2
Butler Trucking Company, 646-648

## C

Case problems
Air Force Training Program, 469
Alumni Giving, 705
alumni giving, 633
Bipartisan Agenda for Change, 501-502
business schools of Asia-Pacific, 139
compensation for sales professionals, 553-554
Consumer Research, Inc., 704-705
ethical behavior of business students, 397-398
forecasting food and beverage sales, 846-847
forecasting lost sales, 847-848
fuel economy for cars, 759-760
Gulf Real Estate Properties, 339-341
Hamilton County judges, 190-192

Heavenly Chocolates website transactions, 139-141
lawsuit defense strategy, 969
measuring stock market risk, 631-632
Metropolitan Research, Inc., 341
motion picture industry, 72-73, 138-139
Par, Inc., 441-442
Pelican Stores, 71-72, 137-138
PGA tour statistics, 633-635, 705-707, 758-759
prediction winning percentage for the NFL, 708-709
Quality Associates, Inc., 396-397
Specialty Toys, Inc., 261-262
U.S. Department of Transportation, 632-633

Wentworth Medical Center, 552-553
Young Professional magazine, 338-339
Categorical data, 7, 33-39
Categorical independent variables, 668-673
Categorical variables, 7
Census, 15
Central limit theorem, 281-283, 286n2
Central location, measures of, 297n1
Chance events, 939
Chance nodes, 940
Chebyshev's theorem, 104-105, 106-107n1
Chi-square distribution, 450-454
Chi-square test, $483 n 1$
Cincinnatti Enquirer, 190
Citibank, 194
Classes, 39, 40
Class limits, 45 n 2
Class midpoints, 41, 127n1
Clusters, 298
Cluster sampling, 22-21-22-29, 298, 300n1
determining sample size, 22-26
population mean, 22-23-22-24
population total, 22-24-22-25
Coefficient of determination, 576-583, 579, 580n1, 692n2
Coefficient of variation, 99
Coefficients, interpretation of, 648-649
Colgate-Palmolive Company, 32
Combinations, 154
Common causes, 909
Company records, internal, 10
Comparisonwise Type I error rate, 527
Complements, 164, 165
Complete block design, 534
Completely randomized designs, 508, 513-524
Computers, 17
Conditional probabilities, 171-175, 960
Confidence coefficients, 313
Confidence intervals, 313, 594
for $\beta_{1}, 587-588$
estimates, 323 n 2
for mean value of $y, 595-596$
Confidence levels, 313
Consequences, 939
Consistency, 297
Consumer Price Index (CPI), 764, 771
Consumer's risk, 923
Contingency tables, 480
Continuity correction factor, 251

Continuous improvement, 909
Continuous random variables, 196
Control charts, 909-910
interpretation of, 920
$n p$ charts, 919-920
$p$ charts, 917-919
$R$ charts, 915-917
$\bar{x}$ chart, 910-915
Convenience sampling, 22-4, 299, 300n1
Cook's distance measure, 679-681, 681n2
Correlation coefficient, 119-121, 579-580
Counting rules
for combinations, 154
for multiple-step experiments, 151
for permutations, 154-155
Covariance, 115-119
Cravens, David W., 735
Critical value, 360
Critical value approach, 360-361
Crosby, Philip B., 905
Cross-sectional data, 7
Cross-sectional regression, 786
Crosstabulations, 53-55
Cumulative frequency distributions, 43-44, 45n4
Cumulative percent frequency distributions, 44
Cumulative relative frequency distributions, 44
Customer's Afternoon Letter, 772
Cyclical patterns, 789-791

## D

Data
applications of, 580 n 1
bimodal and multimodal, 89
sources of, 10-13
types of, 5-8
Data acquistion errors, 13
Data errors, 681n1
Data mining, 17-18
Data sets, 5
Data validity, 107n2
Data warehousing, 17
Decision analysis
decision making with probabilities, 941-949
decision strategies, 951-954
decision trees, 940-941
payoff tables, 940
problem formulation, 939-941
with sample information, 949-960
Decision making, 381-382, 941-949
Decision nodes, 940
Decision strategies, 951-954
Decision trees, 940-941, 941n1, 941n2, 950-951
Deflating the series, 773-775
Degrees of belief, 156
Degrees of freedom, 316, 317, 319, 416, 535n1
DelGuzzi, Kristen, 190
Deming, W. Edwards, 905
Dependent events, 175 n 1
Dependent variables, 562, 720-724
Descriptive statistics, 13-15, 127n1
Deseasonalized time series, 834-835, 837n2
Deviation about the mean, 97

Discrete probability distributions, 197-200
Discrete probability functions, 198
Discrete random variables, 195
Discrete uniform probability distribution, 199
Discrete uniform probability function, 199
Distance intervals, 220
Distribution-free methods, 857
Distribution shape, 102-103
Doctrine of Chances, The (Moivre), 238-240
Dot plots, 41
Double-blind experiments, 513n2
Double-sample plans, 930
Dow, Charles Henry, 772
Dow Chemical Company, 904
Dow Jones averages, 772
Dow Jones Industrial Average (DJIA), 772
Duke Energy, Ch22-2
Dummy variables, 669
Duncan's multipe range test, 528
Dunnhumby, 643
Durbin-Watson test, 751

## E

EAI problem, 283
Economics, 3
Elements, 4-8, 5-6, 22-2
Empirical rule, 105-106
Error degrees of freedom, 535 n 1
Estimated logistic regression equation, 685-687
Estimated logit, 691
Estimated multiple regression equations, 644-645, 665-666
Estimated regression equations, 563-565, 567, 594, 612n2
Estimated standard deviation of $b_{1}, 586$
Ethical behavior, 18-19
"Ethical Guidelines for Statistical Practice" (ASA), 18-19
Events, 160-162, 162n1, 164, 174
Excel
analysis of variance with, 555-557
bar charts, 76-77
completely randomized design, 555
continuous probability distributions with, 262-263
crosstabulation, 79-81
descriptive statistics tool, 145-146
descriptive statistics using, 143-146
difference between two population means: $\sigma_{1}$ and $\sigma_{2}$ known, 444-445
difference between two population means: $\sigma_{1}$ and $\sigma_{2}$ unknown, 444-445
difference between two population means with matched samples, 445-446
discrete probability distributions with, 230-231
exponential smoothing, 851-852
factorial experiments, 556-557
forecasting with, 851-852
frequency distribution, 75-76, 77-79
goodness of fit test, 503, 504
histograms, 77-79
hypothesis testing with, 400-404
inferences about two populations, 444-446
interpretation of ANOVA output, 640
interpretation of estimated regression equation output, 639-640
interpretation of regression statistics output, 640
interval estimation using, 343-346
moving averages, 851
multiple regression with, 709-710
nonparametric methods with, 899-900
PivotChart, 77-79
PivotTable, 77-79
population mean: $\sigma$ known, 343, 400-401
population mean: $\sigma$ unknown, 344, 402-403
population proportion, 345-346, 403-404
population variances with, 470-471
Precision Tree add-in, 969-974
randomized block design, 555
random sampling with, 306-307
regression analysis, 638-640
scatter diagrams, 81-84
sign test, 899-900
Spearman rank correlation, 900
test of independence, 503, 505
trend projection, 852
using functions of, 143-145
Excel StatTools. See StatTools, 17
Expected value, 202-203
binomial distribution and, 214-215
of $p^{\prime}, 289-290$
of sample information, 954-956
of sample information (EVSI), 954-956
of $x^{\prime}, 279-280,304$
Expected value approach, 941-943
Expected value (EV), 942, 943-945
Experimental designs, 508-559
analysis of variance (ANOVA), 508-513
data collection, 509-510
multiple regression approach to, 745-749
Experimental studies, 11-12, 507
Experimental units, 508
Experiments, 150, 158n1
Experimentwise Type I error rate, 527
Exploratory data analysis, 48-51, 109-114, 112n1
Exponential distribution, 256n1, 258
Exponential probability density function, 258
Exponential probability distribution, 253-256
Exponential smoothing forecasting method, 800-804, 804n2
Exponential trend equation, 816

## F

Factorial experiments, 537-544
ANOVA procedure for, 539
F statistics for, 539-542
Factors, 508
Factors of interest, 531
$F$ distribution, 460, 464n1, 516
Feigenbaum, A. V., 905
Finance, 3

Finite population correction factor, 280
Fisher, Ronald Alymer, Sir, 508
Fisher's least significant difference (LSD), 524-527
Fitness for use, 905
Five-number summary, 109-110
Food Lion, 309
Forecast accuracy, 792-797, 799, 800, 802
mean absolute error (MAE), 793
mean absolute percentage error (MAPE), 793
mean squared error, 794
mean squared error (MSE), 793
Forecast errors, 792
Forecasting methods
exponential smoothing, 800-804
moving averages, 797-800
seasonality and trend, 820-829
trend projection, 807-820
weighted moving averages, 800
Forecasts, 785
Forward selection, 740-741
Frames, 22-3, 267
Frequencies, 13 t 1.4
Frequency distributions, 33-34
classes, 39-41
number of classes in, 36n1
sum of, 36 n 2
$F$ statistic, 732n1
$F$ tests, 516, 588-590
for multiple regression models, 658-661
$F$ test statistics, 461
$F(x), 234$

## G

Galton, Francis, Sir, 562
Gauss, Carl Friedrich, 567
General linear model, 714-729
curvilinear relationship modeling, 714-717
interaction, 718-720
nonlinear models that are intrinsically linear, 724-725
second-order model with one predictor variable, 715
simple first-order model with one predictor variable, 714
transformations involving the dependent variable, 720-724
Goodness of fit test, 474-477, 692n2
multinomial distribution, 476-477
normal distribution, 491-495
poisson distribution, 487-491
test statistic for, 475
Gossett, William Sealy, 316
Government agencies, 10-11
Grear Tire Company problem, 246-248
Grouped data, 125-127
population mean for, 127
population variance for, 127
sample mean for, 126
sample variance for, 126
G statistic, 692n1

## H

High leverage points, 617
Histograms, 14f1.6, 41-43, 45n1
Holt's linear exponential smooting, 812-814, 817n1
Horizontal patterns, 786-788
Hypergeometric probability distribution, 221-223, 223n1
Hypergeometric probability function, 221-222
Hypothesis testing, 861n1
about a population median, 857-861
about $\mu_{1}-\mu_{2}, 410-412,417-419$
about $p_{1}-p_{2}, 431-433$
confidence interval approach, 366
decision making and, 381-382
interval estimation and, 366-367
with matched samples, 862-863
null and alternative hypotheses, 349-353
one-tailed tests, 356-361, 371-372
population mean $\sigma$ known, 356-370
population mean $\sigma$ unknown, 370-376
population proportion, 376-381
for population variance, 454-457
steps of, 365
two-tailed tests, 362-365
Type I and Type II errors, 353-355

## |

Incomplete block design, 534
Independent events, 174, 175, 175n1
Independent sample design, 426 n 2
Independent simple random samples, 407
Independent variables, 508, 562, 662-663, 668-673, 743n2
Index numbers
aggregate price indexes, 765-767
computing aggregate price index from price relatives, 769-779
deflating series by price indexes, 773-775
price indexes, 771-773
price relatives, 765
quantity indexes, 778-779
Index of Industrial Production, 779
Indicator variables, 669
Indifference quality level (IQL), 930n2
Influential observations, 616-618, 679, 681n1
using Cook's distance measure to identify, 679-681
Interactions, 538-539, 718-720
International Organization for Standardization, 906
Interquartile range (IQR), 96-97
Intersection of two events, 166
Interval estimates, 309, 310-314, 594
of difference between two population means, 430
of population variance, 450-454
procedures for, 322-323
Interval estimation, $314 \mathrm{n} 1,409$
difference between two population means: $\sigma_{1}$ and $\sigma_{2}$ known, 410
difference between two population means:
$\sigma_{1}$ and $\sigma_{2}$ unknown, 416
hypothesis testing and, 366-367
of $\mu_{1}-\mu_{2}, 407-412,415$
of population mean: $\sigma$ known, 313
of population proportion, 329, 330
Interval scales, 6
Ishikawa, Karou, 905
ISO 9000, 906
Ith residual, 576

## J

John Morrell \& Company, 349
Joint probabilities, 172, 962
Judgment sampling, 22-4, 299, 300n1
Juran, Joseph, 905

## K

$K$ population means, 513 n 3
Kruskal-Wallis test, 882-884, 884n1

## L

Laspeyres index, 767
Least squares criterion, 567, 569n1, 645
Least squares estimated regression equation, 580 n 1
Least squares formulas, 635-636
Least squares method, 565-576, 569n1, 645-649
Levels of significance, 354
Leverage of observation $i, 617,676$
LIFO (last-in, first-out) method of inventory valuation, 309
Linear exponential smoothing, 812-814
Linear trend regression forecast method, 807-812, 817n1
Logistic regression, 683-692, 692n2
Logit, 691
Logit transformation, 691
Lots, 922, 924
Lot tolerance percent defective (LPTD), 930n2
Lower control limits (LCL), 910
Lower tail tests, 356, 361

## M

Malcolm Baldridge National Quality Award, 906
Mann-Whitney-Wilcoxon (MWW) test, 871-882, 878n1
Marginal probabilities, 172
Margin of error, 309, 310-314, 323n1, 331n1
Marketing, 3
Martin Clothing Store problem, 209-213
Matched samples, 423, 426n1, 426n2
Wilcoxon signed-rank test, 865-871
MeadWestvaco Corporation, 266
Mean, 14-15, 87-88, 124-125, 219
Mean absolute error (MAE), 793
Mean absolute percentage error (MAPE), 793
Mean square due to error (MSE), $521 \mathrm{n} 3,585$, 793, 794
Mean square due to regression (MSR), 588

Mean square due to treatments (MSTR), 514-515
Mean square regression (MSR), 588
Means square due to error (MSE), 515
Measures of association between two variables,
115-124

Measures of location, 87-92
Measures of variability, 95-102
Median, 88-89
Minitab, 17
Alpha to enter, 739-740
analysis of variance, 554-555
backward elimination procedure, 761
best-subsets procedure, 761
box plots, 143
completely randomized design, 554
continuous probability distributions with, 262-263
control charts, 935
covariance and correlation, 143
crosstabulation, 74-75
descriptive statistics using, 142-143
difference between two population means: $\sigma_{1}$ and $\sigma_{2}$ unknown, 442-443
difference between two population means with matched samples, 443
difference between two population proportions, 443-444
discrete probability distributions with, 230
dot plots, 73
exponential smoothing, 849
factorial experiments, 554-555
forecasting with, 848-851
forward selection procedure, 761
goodness of fit test, 502-503
histograms, 73-74
Holt's linear exponential smoothing, 850
hypothesis testing with, 398-400
inferences about two populations, 442-444
interval estimation with, 341-343
Kruskal-Wallis test, 898-899
logistic regression with, 710
Mann-Whitney-Wilcoxon test, 898
moving averages, 848-849
multiple regression with, 708-709
nonparametric methods with, 896-899
population mean: $\sigma$ known, 341-342, 398-399
population mean: $\sigma$ unknown, 342, 399
population proportion, 342-343, 399-400
population variances with, 470
randomized block design, 554
random sampling with, 306
regression analysis with, 637-638
scatter diagrams, 74
sign test for a hypothesis test about a population mean, 896-897
sign test for a hypothesis test with matched samples, 897
Spearman rank correlation, 899
stem-and-leaf displays, 73-74
stepwise procedure, 760
test of independence, 503
time series decomposition, 850-851
trend projection, 849-850
using for tabular and graphical presentations, 73-75
variable selection procedures, 760-761
Wilcoxon signed-rank test with matched samples, 897-899
Mode, 89
Model assumptions
about the error term $\varepsilon$ in the regression model, 583-584
confidence interval for $\beta_{1}, 587-588$
$F$ test, 588-590
for regression model, 584-585
$t$ tests, 586
Model reliability, 18
Moivre, Abraham de, 238-240
Monsanto Company, 713
Motorola, Inc., 906
Moving averages forecasting method, 797-800, 804n2
MSE. See Mean square due to error (MSE)
MSE. See Mean square due to error (MSE);
Mean square error (MSE)
MSR. See Mean square due to regression (MSR);
Mean square regression (MSR), 588
MSTR. See Mean square due to treatments (MSTR)
Multicollinearity, 662-663, 663n1
Multimodal data, 89
Multinomial distribution goodness of fit test, 476-477
Multinomial populations, 474
Multiple coefficient of determination, 654-655
Multiple comparison procedures
Fisher's least significant difference (LSD), 524-527
Type 1 error rates, 527-528
Multiple regression analysis, 644, 692n2
Multiple regression equation, 644
Multiple regression model, 644, 657
Multiple sampling plans, 930
Multiplication law, 174-175
Multiplicative decomposition models, 830
Mutually exclusive events, 168, 175n1

## N

Nevada Occupational Health Clinic, 785
Nodes, 940
Nominal scales, 6
Nonlinear trend regression, 814-816
Nonparametric methods, 857
Kruskal-Wallis test, 882-884
Mann-Whitney-Wilcoxon (MWW) test, 871-882
sign test, 857-865, 861n1
Spearman rank-correlation coefficient, 887-889
Wilcoxon signed-rank test, 865-871
Nonprobabilistic sampling, 22-4, 299, 300n1
Nonsampling errors, 22-5
Nonstationary time series, 804n2
Normal curve. See also Bell curve, 238-240
Normal distribution goodness of fit test, 491-495
Normal probability density function, 239,258

Normal probability distribution, 238-248
Normal probability plots, 610-612, 612n1
Normal scores, 610-612
Norris Electronics, 15-16, 19
$N p$ chart, 910, 919-920, 920 n 2
Null hypothesis, 349-353

Observational studies, 12-13, 507
testing for the equality of $k$ population mean, 520-521
Observations, 6, 8n1
Oceanwide Seafood, 149
Odds in favor of an event occurring, 688
Odds ratio, 688-691, 692n1
Ogives, 44-45
Ohio Edison Company, 938
One-tailed tests, 371-372, 475
population mean $\sigma$ known, 355-361
population mean $\sigma$ unknown, 371-372
Open-end classes, 45 n 3
Operating characteristic (OC) curves, 925
Ordinal scales, 6
Outliers, 106, 107n2, 614, 678, 681n1
Overall sample mean, 511

## P

Paasche index, 767
Parameters, 268
Parametric methods, 856
Partitioning, 518
Payoff, 940
Payoff tables, 940
$P$ chart, 910
Pearson, Karl, 562
Pearson product moment correlation coefficient, 119-120, 889n1
Percent frequencies, 13 t 1.4
Percent frequency distributions, 34, 41
Percentiles, 90-91
Permutations, 154-155
Pie charts, 34-36
Planning values, 326
Point estimates, 274, 594
Point estimation, 273-275
Point estimators, 87, 274
consistency, 297
of difference between two population means, 409
of difference between two population
proportions, 430
efficiency, 296-297
unbiased, 295-296
Poisson, Siméon, 218
Poisson probability distribution, 218-221
exponential distribution and, 255-256
goodness of fit test, 487-491
Poisson probability function, 218, 488
Pooled estimate of $\sigma^{2}, 512$
Pooled estimator of $p, 432$
Pooled sample variance, 419 n 1
Population mean, 22-6-22-7, 22-12-22-14
approximate $95 \%$ confidence interval estimate of, 22-13, 22-25
for grouped data, 127
inference about difference between: matched samples, 423-426
inference about difference between: $\sigma_{1}$ and $\sigma_{2}$ known, 407-412
inference about difference between: $\sigma_{1}$ and $\sigma_{2}$ unknown, 415
point estimator of, 22-12, 22-23-22-24
sample size when estimating, 22-17
$\sigma$ known, 310-314
$\sigma$ unknown, 316-323
Population mean $\sigma$ known
interval estimates, 310-314
margin of error, 310-314
one-tailed tests, 355-361
Population mean $\sigma$ unknown
hypothesis testing, 370-376
interval estimate, 317-320
margin of error, 317-320
two tailed testing, 372-373
Population parameters, 87
Population proportions, 22-8-22-9, 22-15-22-16, 328-331, 331n1
approximate $95 \%$ confidence interval estimate of, $22-15,22-26$
hypothesis testing and, 376-381
inferences about difference between, 429-436
interval estimate of, 329
interval estimation of $p_{1}-p_{2}, 429-431$
normal approximation of sampling distribution of, 328
point estimator of, 22-15, 22-25
sample size for an interval estimate of, 330
test statistic for hypothesis tests about, 378
Populations, 15, 22-2
Population standard deviation $(\sigma), 99,310$
Population total, 22-7-22-8, 22-14-22-15
approximate $95 \%$ confidence interval estimate of, $22-14,22-25$
point estimator of, 22-14, 22-24
sample size when estimating, 22-18
Population variance, 97
between-treatments estimate of, 514-515
for grouped data, 127
hypothesis testing for, 454-457
inferences about, 450-459
within-treatments estimate of, 515-516
Posterior (revised) probabilities, 178, 949
Power, 385
Power curves, 385
Precision Tree add-in to Excel, 969-974
Prediction intervals, 594
Prediction intervals for individual value of $y$, 596-598
Price indexes
Consumer Price Index (CPI), 771
deflating a series by, 773-775
Dow Jones averages, 772
Producer Price Index (PPI), 771
quality changes, 777-778
selection of base period, 777
selection of items, 777
Price relatives, 765, 769-770
Prior probabilities, 178, 949
Probabilistic sampling, 22-4, 300n1
Probabilities, 150
classical method of assigning, 155-156, 162n1
conditional, 171-175
joint, 172
marginal, 172
posterior, 178
prior, 178
relative frequency method of assigning, 156
subjective method for assigning, 156-155
of success, 215n1, 215n2
Probability density function, $234,237 \mathrm{n} 1$
Probability distributions, 197
Probability functions, 197
Probability samples, 271n2, 513n1
Procter \& Gamble, 233
Producer Price Index (PPI), 771
Producer's risk, 923
Production, 3
Proportional allocation, 22-19n2
$P$-value approach, 358-360
$P$-values, $358,367 \mathrm{n} 1$

Quadratic trend equation, 814-816
Quality assurance, 908
Quality control, 905-908
Quality engineering, 908
Quantitative data, 7, 8n2, 33
class limits and, 45 n 2
summarizing, 39-53
Quantitative variables, 7
Quantity indexes, 778-779
Quartiles, 91-92
Questionnaires, 22-3

## $R$

Random experiments, 158n1
Randomization, 508, 513n1
Randomized block design, 530-537, 535n1
Random samples, 158n2, 270, 271n1
Random variables, 194-196, 196n1
Range, 96
Ratio scales, 6
$R$ charts, 910, 915-917, 920n1
Regression analysis, $562,565 \mathrm{n} 1,618 \mathrm{n} 1$
adding or deleting variables, 729-735
autocorrelation and the Durbin-Watson test, 750-754
computer solutions, 600-601
general linear model, 714-725
of larger problems, 735-738
multiple regression approach to experimental
design, 745-749
residuals, 793
variable selection procedures, 739-745

Regression equations, 563-565, 565n2
Regression models, 562, 743n3
Regression sums of squares, 732 n 1
Rejectable quality level (RQL), 930n2
Rejection rule for lower tail test
critical value approach, 361
Rejection rules using $p$-value, 360
Relative efficiency, 295-296
Relative frequency distributions, 34, 41 formula for, 65
Replication, 509
Replications, 538
"Researches on the Probability of Criminal and Civil Verdicts" (Poisson), 218
Residual analysis, 605-614, 612n2
detecting influential observations, 616-618
detecting outliers, 614-616, 678
influential observations, 679
of multiple regression model, 676-681
normal probability plots, 610-612
residual for observation $i, 605$
residual plot against $x$, 606-607
residual plot against $\hat{y}, 607$
standard deviation of residual $i, 676$
standardized residuals, 607-610
standard residual for observation $i, 676$
Residual plots, $606,612 \mathrm{n} 1$
against $x$, 606-607
against $\hat{y}, 607$
Residuals, 793
Response variables, 508
Reynolds, Inc., 714-717
Rounding errors, 100 n 3

## S

Sample correlation coefficients, 119-120, 579-580
Sampled populations, 22-3, 267
Sample information, 949
expected value of (EVSI), 954-956
Sample mean, 126, 267, 297n1, 521n1
Sample points, 150
Samples, 15, 22-2, 271n1
Sample selection, 268-271
from infinite population, 270-271
random samples, 270
sampling withouth replacement, 269
sampling with replacement, 270
Sample size
determining, 325-327
estimating population mean, 22-17
estimating population total, 22-18
for hypothesis test about a population mean, 387-390
for interval estimate of population mean, 326
outliers and, 320
of population proportion, 330
sampling distribution of $\tilde{x}, 285-286$
skewness and, 320
small samples, 320-322
Sample space, 150
Sample statistics, 87, 273-274

Sample surveys, 15, 22-2-22-3
Sample variance, 97, 100n4, 126
Sampling distributions, 276-286
of $b_{1}, 586$
of $(n-1) s^{2} / \sigma^{2}, 450$
of $p^{\prime}, 289-293$
of two population variances, 460
of $x^{\prime}, 278-279,281-286$
Sampling units, 22-3
Sampling without replacement, 269
Sampling with replacement, 270
Scales of measurement, 6-7
Scatter diagrams, 57-59, 565
Seasonal adjustments, 836
Seasonal indexes, calculating, 830-834, 837n1
Seasonality and trend, 820-829
models based on monthly data, 825-826
seasonalty without trend, 820-823
Seasonal patterns, 788-789
Second-order model with one predictor variable, 715
Serial correlation, 750
Shewhart, Walter A., 905
Significance testing, 585-594, 590-591
using correlation, 636-637
Sign tests, 857-861, 861n2
hypothesis test about a population median, 857-861
hypothesis test with matched sample, 862-863
Simple first-order model with one predictor variable, 715
Simple linear regression, 562, 565n2
$F$ test for significance in, 589
Simple random samples, 22-6-22-12, 271-272n2, 271n2, 300n1
determining sample size, 22-9-22-11
finite populations, 268-270
population mean, 22-6-22-7
population proportion, 22-8-22-9
population total, 22-7-22-8
Simple regression, 692n2
Simpson's paradox, 56-57
Single-factor experiments, 508
Single-sample plans, 930
Single-stage cluster sampling, 22-21
Six Sigma, 906-908
limits and defects per million opportunities (dpmo), 907
Skewed distributions, 256n1
Skewed populations, 323 n 2
Skewness, 102-103, 256n1, 323n2
$\Sigma$ known, 310
Small Fry Design, 86
Smoothing constants, 800, 801
Software packages, 17,18
Spearman rank-correlation coefficient, 887-889, 889n1
Spreadsheet packages, 804n1
SSE. See Sum of squares due to error (SSE)
SSR. See Sum of squares due to regression (SSR)
SST. See Total sum of squares
SSTR. See Sum of squares due to treatments (SSTR), 515

Standard deviation, 99, 204
of the $i$ th residual, 609
of $p^{\prime}, 290$
of $x^{\prime}, 280-281,304-305$
Standard error, 281
of $p_{1}-p_{2}, 430$
of $p_{1}-p_{2}$ when $p_{1}=p_{2}=p, 432$
two independent random samples, 409
Standard error of the estimate, 585
Standard error of the proportion, 290
Standardized residual for observation $i, 610$
Standardized residuals, 607-610
Standard normal probability distribution, 240-245, 245-248
Standard normal random variable, 245, 258
States of nature, 939
Stationary assumption, 209
Stationary time series, 787, 804n2
Statistical analysis, 17
Statistical experiments, 158 n 1
Statistical inference, 15-16
Statistical models, 18
Statistical process control, 908-922
assignable causes, 909
common causes, 909
$n p$ chart, 919-920
$p$ chart, 917-919
$R$ chart, 915-917
x́ chart, 909-915
Statistical significance vs. practical significance, 591 n 2
Statistical software packages, 100n1, 272n3
Statistical studies, 11-13
Statistics, 2
StatTools
analysis of completely randomized design, 556-559
box plots, 147
control charts, 935-936
covariance and correlation, 147
descriptive statistics using, 146-147
exponential smoothing, 853
forecasting with, 852-854
getting started with, 28-30
histograms, 84
Holt's linear exponential smoothing, 853-854
hypothesis testing with, 404-405
hypothesis tests about $\mu_{1}-\mu_{2}, 446-447$
inferences about the difference betweentwo populations: matched samples, 447
inferences about two populations, 446-447
interval estimation of $\mu_{1}-\mu_{2}, 446$
interval estimation of population mean:
$\sigma$ unknown case, 346
interval estimation with, 346-347
Mann-Whitney-Wilcoxon test, 901-902
moving averages, 852-853
multiple regression analysis with, 711
nonparametric methods with, 901-902
population mean: $\sigma$ unknown case, 404-405
random sampling with, 307
regression analysis, 640-641
sample size, determining, 346-347
scatter diagrams, 84
single population standard deviation with, 471
using for tabular and graphical presentations, 75-84
variable selection procedures, 761-762
Wilcoxon signed-rank test with matched samples, 901
Stem-and-leaf display, 48-51
Stepwise regression procedure, 739-740, 743n1
Stocks and stock funds, 100n2
Stratified random sampling, 297-298, 300n1
Stratified simple random sampling, 22-19n1
advantages of, 22-19n1
population mean, 22-12-22-14
population proportion, 22-15-22-16
population total, 22-14-22-15
Studentized deleted residuals, 678-679
Sum of squares due to error (SSE), 515-516, 576
Sum of squares due to regression (SSR), 557
Sum of squares due to treatments (SSTR), 515
Sum of the squares of the deviations, 566
$\Sigma$ unknown, 316
Survey errors, 22-5-22-6
Surveys and sampling methods, 22-3-22-4
Systematic sampling, 22-29, 298-299, 300n1

## T

T, 586, 658-661
Taguchi, Genichi, 905
Target populations, 22-3, 275
$T$ distribution, 316, 317
Test for significance, 585-594, 591n1, 591n3, 636-637, 658-663, 687
Test for the equality of k population means, 517, 520-521
Test of independence, 479-483
Test statistics, 357-358
for chi-square test, 483n1
for the equality of a $k$ population means, 516
for goodness of fit, 475
for hypothesis tests about a population variance, 454
hypothesis tests about $\mu_{1}-\mu_{2}: \sigma_{1}$ and $\sigma_{2}$ known, 411
for hypothesis tests about population mean: $\sigma$ known, 358
for hypothesis tests about $p_{1}-p_{2}, 432$
for hypothesis tests about two population variances, 461
for hypothesis tests involving matched samples, 425
hypothesis tests $\mu_{1}-\mu_{2}: \sigma_{1}$ and $\sigma_{2}$ unknown, 417-419
Thearling, Kurt, 17
Time intervals
Poisson probability distribution and, 218-220
Time series, 786-792
Time series data, 7
deflating by price indexes, 773-775
graphs of, $9 f 1.2$
Time series decomposition, 829-839
additive decompostion model, 829-830
calculating seasonal indexes, 830-834
cyclical components, 837
deseasonalized time series, 834
models based on monthly data, 837
multiplicative model, 830
seasonal adjustments, 836
Time series patterns, 786-792
cyclical, 789-791
horizontal pattern, 786-788
seasonal patterns, 788-789
selecting forecasting methods, 791-792
trend and seasonal pattern, 788
trend pattern, 788
Time series plots, 786-792
Time series regression, 786
Total quality (TQ), 904
Total sum of squares (SST), 577
Treatments, 508
Tree diagrams, 152
Trend and seasonal patterns, 789
Trendlines, 57-59
Trend patterns, 788
Trend projection
Holt's linear exponential smoothing, 812-814
linear trend regression, 807-812
nonlinear trend regression, 814-817
Trimmed mean, 92n1
$T$ tests, 586
for individual significane in multiple regression models, 661-662
for significance in simple linear regression, 587
Tukey's procedure, 528
Two population variances inferences about, 460-465
one-tailed hypothesis test about, 461
sampling distribution of, 460
Two-stage sampling plans, 930
Two-tailed tests, 362-367
computation of $p$-value, 364
critical value approach, 364
population mean $\sigma$ known, 362-365
population mean $\sigma$ unknown, 372-373
$p$-value approach, 363
Type I errors, 353-355, 355n1
comparisonwise Type I error rate, 527
experimentwise Type I error rate, 527
Type II errors, 353-355, 355n1
probability of, 382-385

## U

Unbiased estimators, 295-296
Uniform probability density function, 234, 258
Uniform probability distribution, 234-237
Union of two events, 165
United Way, 473

Upper control limits (UCL), 910
Upper tail tests, 356, 361, 461
U.S. Commerce Department

National Institute of Standards and Technology (NIST), 906
U.S. Department of Labor

Bureau of Labor Statistics, 764
U.S. Food and Drug Administration, 407
U.S. Government Accountability Office, 449

## V

Variability, measures of, 95-102
Variables, 5-6
adding or deleting, 729-735
random, 194-196
use of $p$-values, 732
Variable selection procedures
Alpha to enter, 739-740
backward elimination, 741
best-subsets regression, 741-742
forward selection, 740-741
stepwise regression, 739-740
Variables sampling plans, 930 n 3
Variance, 97-99, 203-204
binomial distribution and, 214-215
Poisson probability distribution and, 219
Venn diagrams, 164

## W

Weighted aggregate price indexes, 766
Weighted means, 124-125
Weighted moving averages forecasting method, 800
Western Electric Company, 905
West Shell Realtors, 856
Wilcoxon signed-rank test, 865-871, 868n1, 868n2
Williams, Walter, 355, 355n1
Within-treatments estimate of population variance, 515-516
Within-treatments estimate of $\sigma^{2}, 512$

## X

$X$ chart $\hat{x}, 909,920 \mathrm{n} 1$
process mean and standard deviation known, 910-912
process mean and standard deviation unknown, 912-915

## Z

Z-scores, 103-104, 106
$Z$ test, 692n1

# Statistics for Business and Economics 11eWEBfiles 

| Chapter 1 |  |
| :--- | :--- |
| Morningstar | Table 1.1 |
| Norris | Table 1.5 |
| Shadow02 | Exercise 25 |


| Chapter 7 |  |
| :--- | :---: |
| EAI | Section 7.1 |
| MetAreas | Appendix $7.2,7.3 \& 7.4$ |
| MutualFund | Exercise 14 |


| Chapter 12 |  |
| :--- | :--- |
| Chemline | Table 12.10 |
| FitTest | Appendix 12.2 |
| Independence | Appendix 12.2 |
| NYReform | Case Problem |


| Butler | Tables 15.1 <br> $\& 15.2$ |
| :--- | :--- |
| Chocolate | Exercise 48 <br> Consumer <br> Exer2 |
| Case Problem 1 |  |
| FuelData | Exercise 2 |
| Johnson | Exercise 57 |
| Lable 15.6 |  |
| Laptand | Exercise 47 |
| LPGA | Exercise 7 |
| MLB | Exercise 43 |
| MutualFunds | Exercises 6 \& 16 |
| NBA | Exercise 56 |
|  | $18, \&$ \& 26 |
| NFLStats | Case Problem 4 |
| PGATour | Case Problem 3 |
| Repair | Exercise 35 |
| RestaurantRatings | Exercise 37 |
| Sedans | Exercise 8 |
| Showtime | Exercises 5, |
|  | 15, \& 41 |
| Simmons | Table 15.11 |
|  | $\&$ Exercise 44 |
| SportsCar | Exercise 31 |
| Stroke | Exercise 38 |
| TireRack | Exercise 54 |
| Treadmills | Exercise 55 |

## Chapter 16

| Audit | Exercise 31 |
| :--- | :--- |
| Bikes | Exercise 30 |
| Browsing | Exercise 34 |
| Cars | Case Problem 2 |
| Chemitech | Table 16.10 |
| ClassicCars | Exercise 8 |
| ColorPrinter | Exercise 29 |
| Cravens | Table 16.5 |
| IBM | Exercise 27 |
| Layoffs | Exercise 16 |
| LightRail | Exercise 7 |
| LPGATour | Exercises |
|  | $12 \& 13$ |
| LPGATour2 | Exercise 17 |
| MetroAreas | Exercise 9 |
| MLBPitching | Exercise 15 |
| MPG | Table 16.4 |
| PGATour | Case Problem 1 |
| Resale | Exercise 35 |
| Reynolds | Table 16.1 |
| Stroke | Exercises |
|  | $14 \& 19$ |
| Tyler | Table 16.2 |
| Yankees | Exercise 18 |


| Chapter 18 |  |
| :--- | :---: |
| AptExp | Exercises 34 |
|  | $\& 38$ |
| Bicycle | Tables 18.3 |
|  | $\& 18.12$ |
| CarlsonSales | Case Problem 2 |
| CDSales | Exercise 45 |
| Cholesterol | Tables 18.4 |
|  | $\& 18.16$ |
| CountySales | Case Problem 2 |
| ExchangeRate | Exercise 24 |
| Gasoline | Table 18.1 |
|  | $\&$ Exercises |
|  | $7,8, \& 9$ |
| GasolineRevised | Table 18.2 |
| HudsonMarine | Exercise 53 |
| Masters | Exercise 16 |
| NFLValue | Exercise 27 |
| Pasta | Exercise 26 |
| PianoSales | Exercise 49 |
| Pollution | Exercises 31 |
|  | $\& 39$ |


| Power | Exercises 33 \& 40 | Exams | Exercise 46 | ProductWeights | Exercise 42 | Chapter 20 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| SouthShore | Exercise 32 | GolfScores | Exercise 16 | Professors | Exercise 37 |  |  |
| TextSales | Exercise 37 | HomeSales | Section 19.1 | ProGolfers | Exercise 36 | Coffee | Exercise 20 |
| TVSales | Tables 18.6 \& 18.19 | Hurricanes | Exercise 21 | Programs | Exercise 44 | Jensen | Table 20.2 |
| Umbrella | Tables 18.5 \& 18.17 | JapanUS | Exercise 22 | Refrigerators | Exercise 40 | Tires | Exercise 7 |
| Vintage | Case Problem 1 | MatchedSample | Appendix 19.1 | Relaxant | Exercise 13 |  |  |
|  |  |  | \& 19.3 | Student | Exercise 34 | Chapter 21 |  |
| Chapter 19 |  | Methods | Exercise 43 | SunCoast | Appendix 19.1 |  |  |
|  |  | Microware | Exercise 24 | Techs | Exercise 35 | PDC Tree | Appendix 21.1 |
| AcctPlanners | Exercise 19 | NielsenResearch | Exercise 47 | TestPrepare | Exercise 27 |  | Apponix 21.1 |
| Additive | Exercise 12 | OnTime | Exercise 14 | ThirdNational | Appendix 19.1 |  |  |
| ChicagoIncome | Exercise 6 | Overnight | Exercise 15 |  | \& 19.3 | Appendix F |  |
| CruiseShips | Exercise 29 | PoliceRecords | Exercise 23 | Williams | Appendix 19.1 |  |  |
| Evaluations | Exercise 45 | PotentialActual | Table 19.16 | WritingScore | Exercise 17 | p -Value | Appendix F |

