

CONTENTS

CHAPTER

1

INTRODUCTION TO STATISTICS 1

Why Statistics Is Important to Managers 2

Purpose of Statistics 3

Student Data Base 3

Computers in Statistics 4

Approach of This Book 4

Summation Notation 5

Summary 8

Applications of Statistical Concepts
in the Business World 8

Glossary 8

Key Formula 9

Exercises 9

Micro Computer Package 9

CHAPTER

2

DATA COLLECTION 11

Why Data Collection Procedures Are Important
to Managers 12

Types of Data 12

Types of Data Sources 18

Data-Gathering Techniques 20

Populations and Samples 23

Simple Random Sampling 25

Other Sampling Techniques 29

Summary 34

Applications of Statistical Concepts
in the Business World 35

Glossary 36

Solved Exercises 37

Exercises 37

Extended Exercises 39

Micro Computer Package 40

CHAPTER

3

DATA PRESENTATION 43

Why Data Presentation Methods Are Important
to Managers 44

Frequency Distributions 45

Cumulative Frequency Distributions 51

Charts and Graphs 54

Summary 69

Applications of Statistical Concepts
in the Business World 69

Glossary 70

Solved Exercises 70

Exercises 72

Extended Exercises 76

Micro Computer Package 78

CHAPTER

4

DESCRIPTIVE STATISTICS 81

Why Descriptive Statistics Are Important
to Managers 82

Measures of Central Tendency 82

Measures of Variability 95

Summary 104

Applications of Statistical Concepts
in the Business World 104

Glossary	104
Key Formulas	105
Solved Exercises	106
Exercises	108
Extended Exercises	111
Micro Computer Package	113

CHAPTER 5

BASIC PROBABILITY AND DISCRETE PROBABILITY DISTRIBUTIONS 115

Why Discrete Probability Distributions Are Important to Managers	116
Basic Probability Definitions and Rules	116
Random Variables	122
Probability Distributions	124
Expected Value	127
The Binomial Distribution	130
The Binomial Table	135
Mean and Standard Deviation of the Binomial Distribution	139
The Hypergeometric Distribution	140
The Poisson Distribution	143
Poisson Distribution Table	146
Poisson Approximation to the Binomial	150
Summary	152
Applications of Statistical Concepts in the Business World	153
Glossary	154
Key Formulas	155
Solved Exercises	155
Exercises	159
Extended Exercises	161
Micro Computer Package	163

CHAPTER 6

CONTINUOUS PROBABILITY DISTRIBUTIONS 165

Why Managers Need to Know about Continuous Probability Distributions	166
Continuous Random Variables	166
The Uniform Distribution	167
Normal Distribution	171
Finding Normal Curve Areas	174
Normal Approximation to the Binomial	184
Summary	188

Applications of Statistical Concepts in the Business World 189

Glossary	189
Key Formulas	190
Solved Exercises	190
Exercises	191
Extended Exercises	194
Micro Computer Package	196

CHAPTER 7

SAMPLING DISTRIBUTIONS 199

Why Managers Need to Know about Sampling Distributions	200
Sampling Error	200
Distributions of Sampling Means	201
Sampling Distribution of Sample Proportions	212
The Finite-Population Multiplier	219
Summary	222
Applications of Statistical Concepts in the Business World	222
Glossary	223
Key Formulas	223
Solved Exercises	224
Exercises	225
Extended Exercises	228
Micro Computer Package	231

CHAPTER 8

ESTIMATION 233

Why Managers Need to Know about Estimation	234
Point and Interval Estimates of a Population Mean	234
Point and Interval Estimates of Population Proportions	242
Small-Sample Estimation	245
Sample Size and Estimation Error	250
Summary	258
Applications of Statistical Concepts in the Business World	258
Glossary	259
Key Formulas	259
Solved Exercises	260
Exercises	262
Extended Exercises	264
Micro Computer Package	267

CHAPTER
9

HYPOTHESIS TESTING 269

- Why Managers Need to Know about Hypothesis Testing 270
- Introduction 270
- Hypothesis-Testing Steps and Procedures 271
- Errors in Hypothesis Testing 276
- Developing Decision Rules 278
- p-Values and Hypothesis Testing 280
- Hypothesis Tests about a Population Mean 281
- Hypothesis Tests about a Population Proportion 290
- Type II Errors, Operating Characteristic Curves, and Power Curves 295
- Computing Sample Size for a Hypothesis Test 300
- Choosing the Significance Level in Hypothesis Testing 303
- Summary 303
- Applications of Statistical Concepts in the Business World 303
- Glossary 305
- Key Formulas 305
- Solved Exercises 306
- Exercises 309
- Extended Exercises 312
- Micro Computer Package 315

CHAPTER
10

TWO-POPULATION HYPOTHESIS TESTS 319

- Why Managers Need to Know about Hypothesis Testing for Two Populations 320
- Hypothesis Tests about the Difference between Two Population Means: Large Samples 320
- Hypothesis Tests about the Difference between Two Population Means: Small Samples 329
- Hypothesis Testing for Means: Dependent Samples 332
- Hypothesis Testing for Proportions from Two Populations 337
- Summary 343
- Applications of Statistical Concepts in the Business World 344
- Glossary 344
- Key Formulas 344
- Solved Exercises 346
- Exercises 350
- Extended Exercises 352
- Micro Computer Package 353

CHAPTER
11

CHI-SQUARE TESTS 357

- Why Managers Need to Know about Chi-Square Tests 358
- Contingency Table Test 359
- Goodness-of-Fit Test 368
- Final Notes on Chi-Square Tests 374
- Summary 376
- Applications of Statistical Concepts in the Business World 377
- Glossary 378
- Key Formulas 378
- Solved Exercises 378
- Exercises 381
- Extended Exercises 384
- Micro Computer Package 386

CHAPTER
12

ANALYSIS OF VARIANCE 389

- Why Managers Need to Know about Analysis of Variance 390
- Single-Population Variance Test 390
- Two-Population Variance Test 394
- ANOVA Basics 398
- Within Method 399
- Between Method 401
- ANOVA F Test and Table 403
- Two-Way Analysis of Variance 410
- Other ANOVA Designs 419
- Summary 420
- Applications of Statistical Concepts in the Business World 421
- Glossary 421
- Key Formulas 422
- Solved Exercises 423
- Exercises 427
- Extended Exercises 431
- Micro Computer Package 432

AFTERWORD TO STUDENTS 809

APPENDIX A

EFFECTIVE COMMUNICATIONS 812

APPENDIX B

DERIVATIONS 816

APPENDIX C

COMPANY DATA BASE 818

APPENDIX D

ANSWERS TO SELECTED ODD-NUMBERED EXERCISES 822

APPENDIX E

STATISTICAL TABLES 837

SELECTED BIBLIOGRAPHY 869

INDEX 873