Homework Notes  Chapter 4

These notes do not include full answers. Students are expected to read the full answers in StatsPortal before looking at these notes. I am preparing these notes to provide more details about what you should be thinking about and learning from each of the exercises.

The multiple choice questions just before the Exercises at the end of the chapter are not discussed here because there is information in StatsPortal beside the correct answer to help students see why that answer is better than the others. (And also because it would take me twice as long to write these if I had to address all of those questions as well!)

I am not promising to do this for all chapters. I will do it for the chapters for which I have more extra comments on the exercises than we can discuss in class.

HW Chapter 4: [4.1, 4.3, 4.4&4.5(M), 4.7, 4.8ac(M), 4.9, 4.10(M), 4.11(M), 4.12-4.21], 4.23, 4.25(M), 4.26, 4.27(M), 4.29, 4.31, 4.35, 4.37(T), 4.41(M)

In this chapter, instead of listing all the problems assigned here, I am only listing the few problems for which I have additional comments.

4.7 While you can make the timeplots by hand, it is also useful to learn to make such comparative scatterplots using your software.

**Minitab: Graph > Scatterplot**

**Minitab next screen**

**CrunchIt: Graphics > Scatter Plot**
4.8ac. I am not including the answers here because it is an even-numbered problem and might be used for a quiz problem. The homework DOESN’T include part b. Don’t compute any correlation coefficients by hand. You have better things to do with your time. Use MINITAB to compute correlation coefficients.

4.25. To make comparative scatterplots like this, follow the directions for exercise 4.7 on the previous page.

4.31 This is not a question that you can use software to answer, because you aren’t given any data. This is actually a rather difficult question. I think the best way to approach it is to make the axes for a scatterplot and try to think of a way to put datapoints on it that will match all the descriptions in the exercise. If you can draw such a picture, you’ll probably be able to explain it.

1. One axis should be labeled Fund A and the other axis labeled Fund B.
2. Since the values are perfectly correlated, the points should be on a straight line.
3. Consider where to put the straight line. It is not completely determined, but you must put scales on the two axes, and then make sure that a change of 20% in Fund A results in a change of 10% in Fund B.