

Bus 273: Statistical Analysis for Business

Fall 2011

PROBLEM SHEET # 3

Problem 1: File `bank_customers.xls` contains (simulated, but realistic) data concerning 5868 customers of a bank. Each row corresponds to one customer. The variables and their values are:

symbol	description	values
deficit	Credit limit exceeded within last 6 months?	0: no 1: yes
age	age in completed years	positive integer number
m.status	marital status	0: single or not specified 1: married
edu	highest level of education achieved	1: no graduation or general-education graduation 2: vocational school, apprenticeship 3: university of applied sciences, university
econ.act	economic activity	0: unemployed or inactive 1: employee or public servant 2: self-employed (or family member)
urban	Is place of residence in urban area?	0: no 1: yes
stability	Is residential area stable? (Many moves during recent period indicate “no”.)	0: no 1: yes
cellphone	number of cellular phone contracts	0: no contract 1: one contract 2: two or more contracts

- Determine the scaling of each variable.
- Find the percentage of customers with `deficit = 1`.
- Compute the average age (here: the arithmetic mean) of customers with `deficit = 0`.
- Compute the average age (here: the arithmetic mean) of customers with `deficit = 1`.
- Compute the percentage of customers with `deficit = 1` among those with no (one, two or more) cellular phone contract(s).

Problem 2: Obtaining a sound data set is often a laborious process. File `insurance_data_w_errors.xls` contains (simulated, but realistic) data on 1000 insurants: date of birth, the date they entered the insurance contract, gender, the number of damages they incurred in 2008, and the corresponding total damage amount. — Unfortunately, some typical errors have crept into this data set: Data of nine cases need to be fixed before the data set can be analyzed.

- Find the errors and fix them in a plausible way.
- How many people with at least one damage in 2008 are there?
- Compute the average damage amount (the arithmetic mean) among those who incurred a damage.

Problem 3: The distribution of new passenger vehicles registered in Germany in August of 2009 by colour is:

colour	number	share in %
grey	86973	31.54
black	73782	26.76
blue	37890	13.74
white	27661	10.03
red	27540	9.99
yellow	5887	2.14
green	5047	1.83
others	10934	3.97
total	275714	100.00

(Source: www.kba.de. This distribution is also given in file `registration_new_cars_by_colour.xls`.)

- a) Draw a pie chart of this distribution. Make sure the colours in your pie chart match the colour names.
- b) The R help text for the command `pie`, which draws a pie chart, states: “Pie charts are a very bad way of displaying information. The eye is good at judging linear measures and bad at judging relative areas.” Make a plot of the distribution which incorporates this criticism.