THE OPEN UNIVERSITY OF SRI LNKA
BACHELOR OF MANAGEMENT STUDIES (BMS) DEGREE PROGRAMME
LEVEL 05
ASSIGNMENT TEST – 2015/16
QUANTITATIVE TECHNIQUES FOR MANAGEMENT II – MCU 3209
DURATION: TWO HOURS

DATE: 12.12.2015	**TIME: 10.00 A.M. – 12.00 NOON**

Answer FOUR (04) questions only.
All questions carry equal marks.
Non-programmable calculators are allowed.

Question 1

a. A manufacturer of light bulbs claims that its light bulbs have a mean life of 2000 hours with a standard deviation of 2. A random sample of 200 such bulbs is selected for testing. If the sample produces a mean value of 1992 hours and a sample standard deviation of 81,

i. Is there sufficient evidence to claim that the mean life is significantly less than the manufacturer claimed at 5% significant level? (7 marks)

ii. Find the 99% confidence interval for the mean life time of bulbs. (5 marks)

b. A sample survey is designed to estimate the proportion of sports utility vehicles being driven in a city. A random sample of 500 registrations are selected from the Registrar of Motor Vehicles data base, and 68 are classified as sports utility vehicles. Construct the 95% confidence interval for the proportion of sports utility vehicles in the city. (5 marks)

c. State the conditions to carry out Normal approximation to Binomial distribution. (4 marks)

d. State the conditions to carry out Normal approximation to Poisson distribution. (4 marks)

(Total 25 Marks)

Question 2

a. Each person in a group of 300 students was identified as male or female and then asked whether he or she preferred taking liberal arts courts in the area of maths-science, sociological science or humanities. The contingency table below shows the frequencies found for these categories. Does this sample present sufficient evidence to reject the claim that "preference for math-science, sociological science and humanities is independent of the gender of a college student"? Consider the .05 level of significance.

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Gender	Favorite Subject Area			Total
	Math-science	Social Science	Humanities	
Male	37	41	44	122
Female	35	72	71	178
Total	72	113	115	300

(Total 25 Marks)

Question 3

Briefly describe the following:

i. Two – tail test vs. one - tail test (5 marks)

ii. Properties of Normal distribution (5 marks)

iii. Errors in hypothesis testing (5 marks)

iv. Critical value and critical region (5 marks)

v. Properties of Binomial distribution (5 marks)

(Total 25 Marks)

Question 4

a. Based on past records, the average number of two car accidents in a city is 3.4 per day. What is the probability that there will be fewer than two such accidents in this city on a given day? (6 marks)

b. Records provided by the vice president for human resources at a large urban hospital indicate that on any given working day 10% of the nonclinical workforce (ie, kitchen, housekeeping, electrical, plumbing etc) are absent from work. What is the probability that in a random sample 10 of nonclinical workers, at least three will be absent? (6 marks)

c. A statistical analysis long distance telephone calls made from the headquarters of Johnson and Shurgot Corporation indicates that the length of these calls is normally distributed with a mean of 240 seconds and a standard deviation of 40 seconds. How many calls lasted 180 to 300 seconds? (6 marks)

d. According to the Bureau of Justice Statistics Sourcebook of Criminal Statistics, 4.5% of young adults reported using alcohol daily for the past 30 days. Use the normal approximation to the binomial distribution to find the probability that, in a national poll of 1024 young adults, between 35 and 50 inclusive will indicate that they have used alcohol daily for the past 30 days. (7 marks)

(Total 25 Marks)

Question 5

a. Information concerning a magazine's readership is of interest both to the publisher and to the magazine's advertisers. A listing of the subscribers for the last year is available, with details of 200 subscribers.

  i. If a sample of 50 subscribers are to be selected, describe how simple random sampling can be used to select the sample. (5 marks)

  ii. It was found that the subscribers consist of 50% professionals, 30% academics and 20% students. Describe how a stratified sample of 50 subscribers can be selected. (9 marks)

  iii. If a sample of 50 subscribers are to be selected, describe how systematic sampling can be used to select the sample. (5 marks)

b. Briefly describe 'Multistage sampling process' with a suitable example. (6 marks)

(Total 25 Marks)

Cumulative Binomial Probabilities

e. n= 9

k	0.01	0.05	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	0.95	0.99
0	0.914	0.630	0.387	0.134	0.040	0.010	0.002	0.000	0.000	0.000	0.000	0.000	0.000
1	0.997	0.929	0.775	0.436	0.196	0.071	0.020	0.004	0.000	0.000	0.000	0.000	0.000
2	1.000	0.992	0.947	0.738	0.463	0.232	0.090	0.025	0.004	0.000	0.000	0.000	0.000
3		0.999	0.992	0.914	0.730	0.483	0.254	0.099	0.025	0.003	0.000	0.000	0.000
4		1.000	0.999	0.980	0.901	0.733	0.500	0.267	0.099	0.020	0.001	0.000	0.000
5			1.000	0.997	0.975	0.901	0.746	0.517	0.270	0.086	0.008	0.001	0.000
6				1.000	0.996	0.975	0.910	0.768	0.537	0.262	0.053	0.008	0.000
7					1.000	0.996	0.980	0.929	0.804	0.564	0.225	0.071	0.003
8						1.000	0.998	0.990	0.960	0.866	0.613	0.370	0.086
9							1.000	1.000	1.000	1.000	1.000	1.000	1.000

E. n= 10

k	0.01	0.05	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	0.95	0.99
0	0.904	0.599	0.349	0.107	0.028	0.006	0.001	0.000	0.000	0.000	0.000	0.000	0.000
1	0.996	0.914	0.736	0.376	0.149	0.046	0.011	0.002	0.000	0.000	0.000	0.000	0.000
2	1.000	0.988	0.930	0.678	0.383	0.167	0.055	0.012	0.002	0.000	0.000	0.000	0.000
3		0.999	0.987	0.879	0.650	0.382	0.172	0.055	0.011	0.001	0.000	0.000	0.000
4		1.000	0.998	0.967	0.850	0.633	0.377	0.166	0.047	0.006	0.000	0.000	0.000
5			1.000	0.994	0.953	0.834	0.623	0.367	0.150	0.033	0.002	0.000	0.000
6				0.999	0.989	0.945	0.828	0.618	0.350	0.121	0.013	0.001	0.000
7				1.000	0.998	0.988	0.945	0.833	0.617	0.322	0.070	0.012	0.000
8					1.000	0.998	0.989	0.954	0.851	0.624	0.264	0.086	0.004
9						1.000	0.999	0.994	0.972	0.893	0.651	0.401	0.096
10							1.000	1.000	1.000	1.000	1.000	1.000	1.000

g. n= 15

k	0.01	0.05	0.1	0.2	0.3	0.4	0.5	0.6	0.7	0.8	0.9	0.95	0.99
0	0.860	0.463	0.206	0.035	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1	0.990	0.829	0.549	0.167	0.035	0.005	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2	1.000	0.964	0.816	0.398	0.127	0.027	0.004	0.000	0.000	0.000	0.000	0.000	0.000
3		0.995	0.944	0.648	0.297	0.091	0.018	0.002	0.000	0.000	0.000	0.000	0.000
4		0.999	0.987	0.836	0.515	0.217	0.059	0.009	0.001	0.000	0.000	0.000	0.000
5		1.000	0.998	0.939	0.722	0.403	0.151	0.034	0.004	0.000	0.000	0.000	0.000
6			1.000	0.982	0.869	0.610	0.304	0.095	0.015	0.001	0.000	0.000	0.000
7				0.996	0.950	0.787	0.500	0.213	0.050	0.004	0.000	0.000	0.000
8				0.999	0.985	0.905	0.696	0.390	0.131	0.018	0.000	0.000	0.000
9				1.000	0.996	0.966	0.849	0.597	0.278	0.061	0.002	0.000	0.000
10					0.999	0.991	0.941	0.783	0.485	0.164	0.013	0.001	0.000
11					1.000	0.998	0.982	0.909	0.703	0.352	0.056	0.005	0.000
12						1.000	0.996	0.973	0.873	0.602	0.184	0.036	0.000
13							1.000	0.995	0.965	0.833	0.451	0.171	0.010
14								1.000	0.995	0.965	0.794	0.537	0.140
15									1.000	1.000	1.000	1.000	1.000

P(r) = $^{n}C_{r}\, p^{r}\, (1-p)^{n-r}$

$P(x) = \dfrac{e^{-a} a^{x}}{x!}$ where a= mean, e = 2.71828.....

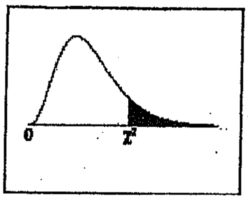
x –E < μ < x + E where, $E = z\,(\sigma/\sqrt{n})$ or $E = t\,(s/\sqrt{n})$

p - E < p < p + E where, $E = Z\sqrt{p(1-p)/n}$

$$z = \frac{sample\ mean - population\ mean}{\sigma/\sqrt{n}}$$

$$\chi^2_{STAT} = \sum_{all\ cells} \frac{(f_o - f_e)^2}{f_e}$$

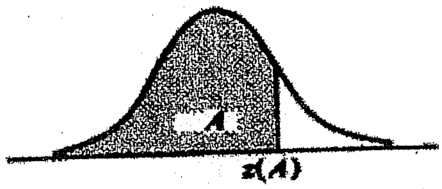
Chi-Square Distribution Table



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

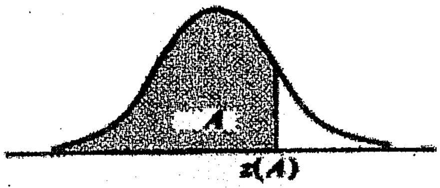
df	$\chi^2_{.995}$	$\chi^2_{.990}$	$\chi^2_{.975}$	$\chi^2_{.950}$	$\chi^2_{.900}$	$\chi^2_{.100}$	$\chi^2_{.050}$	$\chi^2_{.025}$	$\chi^2_{.010}$	$\chi^2_{.005}$
1	0.000	0.000	0.001	0.004	0.016	2.706	3.841	5.024	6.635	7.879
2	0.010	0.020	0.051	0.103	0.211	4.605	5.991	7.378	9.210	10.597
3	0.072	0.115	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

Entry is area A under the standard normal curve from $-\infty$ to $z(A)$



z	.00	.01	.02	.03	.04	.05	.06	.07	.08	.09
.0	.5000	.5040	.5080	.5120	.5160	.5199	.5239	.5279	.5319	.5359
.1	.5398	.5438	.5478	.5517	.5557	.5596	.5636	.5675	.5714	.5753
.2	.5793	.5832	.5871	.5910	.5948	.5987	.6026	.6064	.6103	.6141
.3	.6179	.6217	.6255	.6293	.6331	.6368	.6406	.6443	.6480	.6517
.4	.6554	.6591	.6628	.6664	.6700	.6736	.6772	.6808	.6844	.6879
.5	.6915	.6950	.6985	.7019	.7054	.7088	.7123	.7157	.7190	.7224
.6	.7257	.7291	.7324	.7357	.7389	.7422	.7454	.7486	.7517	.7549
.7	.7580	.7611	.7642	.7673	.7704	.7734	.7764	.7794	.7823	.7852
.8	.7881	.7910	.7939	.7967	.7995	.8023	.8051	.8078	.8106	.8133
.9	.8159	.8186	.8212	.8238	.8264	.8289	.8315	.8340	.8365	.8389
1.0	.8413	.8438	.8461	.8485	.8508	.8531	.8554	.8577	.8599	.8621
1.1	.8643	.8665	.8686	.8708	.8729	.8749	.8770	.8790	.8810	.8830
1.2	.8849	.8869	.8888	.8907	.8925	.8944	.8962	.8980	.8997	.9015
1.3	.9032	.9049	.9066	.9082	.9099	.9115	.9131	.9147	.9162	.9177
1.4	.9192	.9207	.9222	.9236	.9251	.9265	.9279	.9292	.9306	.9319
1.5	.9332	.9345	.9357	.9370	.9382	.9394	.9406	.9418	.9429	.9441
1.6	.9452	.9463	.9474	.9484	.9495	.9505	.9515	.9525	.9535	.9545
1.7	.9554	.9564	.9573	.9582	.9591	.9599	.9608	.9616	.9625	.9633
1.8	.9641	.9649	.9656	.9664	.9671	.9678	.9686	.9693	.9699	.9706
1.9	.9713	.9719	.9726	.9732	.9738	.9744	.9750	.9756	.9761	.9767
2.0	.9772	.9778	.9783	.9788	.9793	.9798	.9803	.9808	.9812	.9817
2.1	.9821	.9826	.9830	.9834	.9838	.9842	.9846	.9850	.9854	.9857
2.2	.9861	.9864	.9868	.9871	.9875	.9878	.9881	.9884	.9887	.9890
2.3	.9893	.9896	.9898	.9901	.9904	.9906	.9909	.9911	.9913	.9916
2.4	.9918	.9920	.9922	.9925	.9927	.9929	.9931	.9932	.9934	.9936
2.5	.9938	.9940	.9941	.9943	.9945	.9946	.9948	.9949	.9951	.9952
2.6	.9953	.9955	.9956	.9957	.9959	.9960	.9961	.9962	.9963	.9964
2.7	.9965	.9966	.9967	.9968	.9969	.9970	.9971	.9972	.9973	.9974
2.8	.9974	.9975	.9976	.9977	.9977	.9978	.9979	.9979	.9980	.9981
2.9	.9981	.9982	.9982	.9983	.9984	.9984	.9985	.9985	.9986	.9986
3.0	.9987	.9987	.9987	.9988	.9988	.9989	.9989	.9989	.9990	.9990
3.1	.9990	.9991	.9991	.9991	.9992	.9992	.9992	.9992	.9993	.9993
3.2	.9993	.9993	.9994	.9994	.9994	.9994	.9994	.9995	.9995	.9995
3.3	.9995	.9995	.9995	.9996	.9996	.9996	.9996	.9996	.9996	.9997
3.4	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9998

Entry is area A under the standard normal curve from $-\infty$ to $z(A)$



z	.00	.01	.02	.03	.04	.05	.06	.07	.08	.09
.0	.5000	.5040	.5080	.5120	.5160	.5199	.5239	.5279	.5319	.5359
.1	.5398	.5438	.5478	.5517	.5557	.5596	.5636	.5675	.5714	.5753
.2	.5793	.5832	.5871	.5910	.5948	.5987	.6026	.6064	.6103	.6141
.3	.6179	.6217	.6255	.6293	.6331	.6368	.6406	.6443	.6480	.6517
.4	.6554	.6591	.6628	.6664	.6700	.6736	.6772	.6808	.6844	.6879
.5	.6915	.6950	.6985	.7019	.7054	.7088	.7123	.7157	.7190	.7224
.6	.7257	.7291	.7324	.7357	.7389	.7422	.7454	.7486	.7517	.7549
.7	.7580	.7611	.7642	.7673	.7704	.7734	.7764	.7794	.7823	.7852
.8	.7881	.7910	.7939	.7967	.7995	.8023	.8051	.8078	.8106	.8133
.9	.8159	.8186	.8212	.8238	.8264	.8289	.8315	.8340	.8365	.8389
1.0	.8413	.8438	.8461	.8485	.8508	.8531	.8554	.8577	.8599	.8621
1.1	.8643	.8665	.8686	.8708	.8729	.8749	.8770	.8790	.8810	.8830
1.2	.8849	.8869	.8888	.8907	.8925	.8944	.8962	.8980	.8997	.9015
1.3	.9032	.9049	.9066	.9082	.9099	.9115	.9131	.9147	.9162	.9177
1.4	.9192	.9207	.9222	.9236	.9251	.9265	.9279	.9292	.9306	.9319
1.5	.9332	.9345	.9357	.9370	.9382	.9394	.9406	.9418	.9429	.9441
1.6	.9452	.9463	.9474	.9484	.9495	.9505	.9515	.9525	.9535	.9545
1.7	.9554	.9564	.9573	.9582	.9591	.9599	.9608	.9616	.9625	.9633
1.8	.9641	.9649	.9656	.9664	.9671	.9678	.9686	.9693	.9699	.9706
1.9	.9713	.9719	.9726	.9732	.9738	.9744	.9750	.9756	.9761	.9767
2.0	.9772	.9778	.9783	.9788	.9793	.9798	.9803	.9808	.9812	.9817
2.1	.9821	.9826	.9830	.9834	.9838	.9842	.9846	.9850	.9854	.9857
2.2	.9861	.9864	.9868	.9871	.9875	.9878	.9881	.9884	.9887	.9890
2.3	.9893	.9896	.9898	.9901	.9904	.9906	.9909	.9911	.9913	.9916
2.4	.9918	.9920	.9922	.9925	.9927	.9929	.9931	.9932	.9934	.9936
2.5	.9938	.9940	.9941	.9943	.9945	.9946	.9948	.9949	.9951	.9952
2.6	.9953	.9955	.9956	.9957	.9959	.9960	.9961	.9962	.9963	.9964
2.7	.9965	.9966	.9967	.9968	.9969	.9970	.9971	.9972	.9973	.9974
2.8	.9974	.9975	.9976	.9977	.9977	.9978	.9979	.9979	.9980	.9981
2.9	.9981	.9982	.9982	.9983	.9984	.9984	.9985	.9985	.9986	.9986
3.0	.9987	.9987	.9987	.9988	.9988	.9989	.9989	.9989	.9990	.9990
3.1	.9990	.9991	.9991	.9991	.9992	.9992	.9992	.9992	.9993	.9993
3.2	.9993	.9993	.9994	.9994	.9994	.9994	.9994	.9995	.9995	.9995
3.3	.9995	.9995	.9995	.9996	.9996	.9996	.9996	.9996	.9996	.9997
3.4	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9997	.9998