COMM215

First the Foundation, then Innovation

LESSON ONE –INTRODUCTION

SAMIE L.S. LY

AFTER THIS CLASS

COMM 215 – Business Statistics

BSTA 378 - Statistical Models for Data Analysis – SAS EG

BSTA 445 – Statistical Software for Data Management and Analysis - SAS

BSTA 477 - Managerial Forecasting - SAS

BSTA 478 - Data Mining Techniques - SAS

SAS Certification

Data Scientist

Business Analysts

Business Strategist

Entrepreneur

COMM215 First the Foundation, then Innovation

DATA SOURCES LINKS

http://www.tweetbeam.com/show?query=business%20analytics

https://www.pubnub.com/developers/realtime-data-streams/twitter-stream/

http://www.darkhorseanalytics.com/

AGENDA FOR TODAY

1. Classroom Logistics
2. Getting Started
3. Introduction to Statistics (Chapter 1)

- **Classroom Logistics**
- **Getting Started**
- **Introduction to Statistics (Chapter 1)**

Course Outline

Course Book

Course Components

Plagirism

House Rules

Moodle

Connect

COURSE OUTLINE

COMM 215 SECTION I, J, DD (3 Credits)

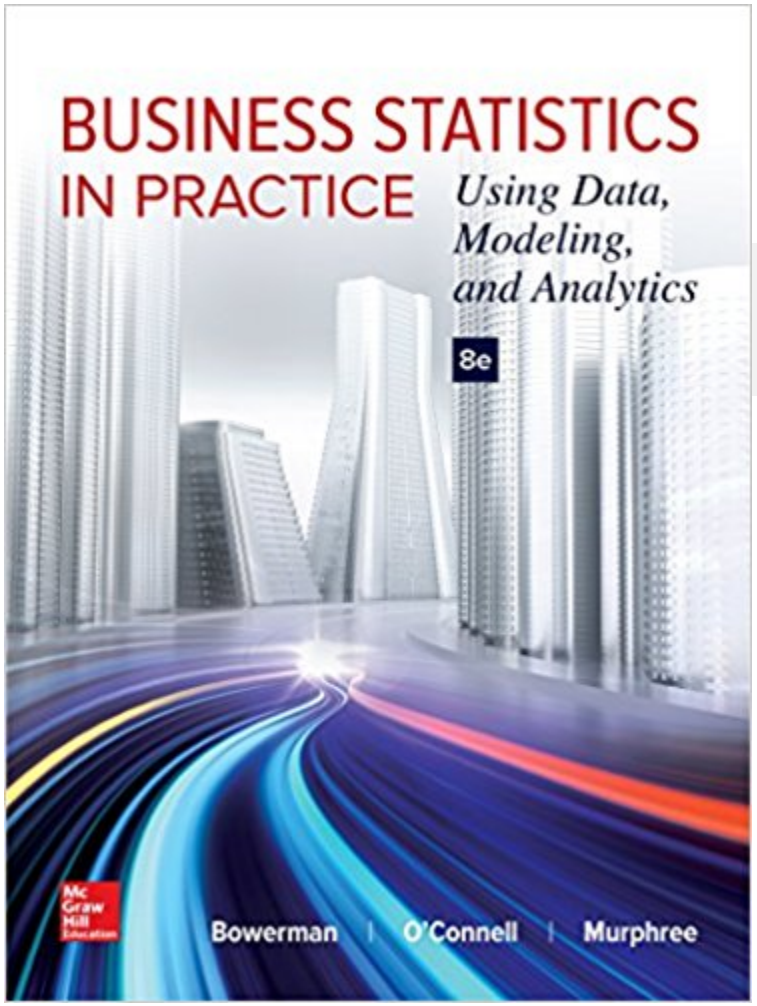
Instructor: Samie Li Shang Ly

Office: MB 12.107

Office Hours: Wednesday 15:00-16:00 and
by appointment.

Email: samie.ly@concordia.ca

COURSE BOOK



Bookstore – Loose Leaf Format

- Hard Copy of the Book
- Soft Copy of the Book
- Megastat
- Connect Activities

Bowerman, B. L., O'Connell, R. T., Murphree, E., Huch endorf, S. C., & Porter, D. C. (2003). *Business statistics in practice* (pp. 728-730). New York: McGraw-Hill/Irwin.

COURSE COMPONENTS

Evaluation	Weight	Notes
Quizzes (Best 4 of 6)	10%	Best 4 out of 6 on Moodle
Midterm Exam	25%	February 18th, 14:00-17:00
Final Exam	50%	Minimum of 45% to pass the course
Study Activities	5%	On Connect
Case Analysis	10%	Groups of 1 to 5 person

COURSE EVALUATION – PLAGIRISM

Plagiarism

- Offense under the Academic Code of Conduct " the presentation of the work of another person as one's own or without proper acknowledgement."

DO NOT COPY, PARAPHRASE OR TRANSLATE ANYTHING FROM ANYWHERE WITHOUT SAYING FROM WHERE YOU OBTAINED IT!

(Source: The Academic Integrity Website: http://provost.concordia.ca/academicintegrity/plagiarism/)

HOUSE RULES

Please arrive on time for class

No Laptops*

No Cellphones*

Be careful with food consumption

MOODLE

Welcome to COMM 215 - Business Statistics

Calendar of COMM215 Activities

Please find the calendar of COMM215 Activities including tutorials, office hours, and examinations.

Discussion Forum

Announcements

COMM215_Winter 2018 COURSE OUTLINE

List of Suggested Problems from the Book

Solutions to Suggested Problems

CONNECT LOGIN & INFO

1. All sections written per the course outline are mandatory, even if it is written optional.

2. The Connect Study Activities count for 5% of your final grade. The scores are calculated as follows: Practice 2 attempts, by the end of the 2nd attempt, guidelines are posted to help you with a 3rd attempt. The score is based on your performance.

IMPORTANT INFORMATION

As part of the COMM 215 textbook purchase, you have

MOODLE - LESSONS

Week 1 Introduction & Descriptive Statistics

Reading

Chapter 1 An Introduction to Business Statistics and Analytics (All Sections; Appendix 1.1,1.2)

Training Notebooks_Lesson1

Week 2 Introduction & Descriptive Statistics is not availa
Week 3 Probability is not available
Week 4 Discrete Random Variables is not available
Week 5 Continuous Random Variables is not available
Week 6 Sampling Distribution is not available
Midterm Exam Review is not available
Week 7 Confidence Intervals is not available
Week 8 Hypothesis Testing is not available
Week 9 Chi Square Tests is not available
Week 10 & 11 Simple Linear Regression Analysis is not
Week 12 & 13 Multiple Regression Analysis is not availa
Final Exam Review is not available
15 April - 21 April is not available

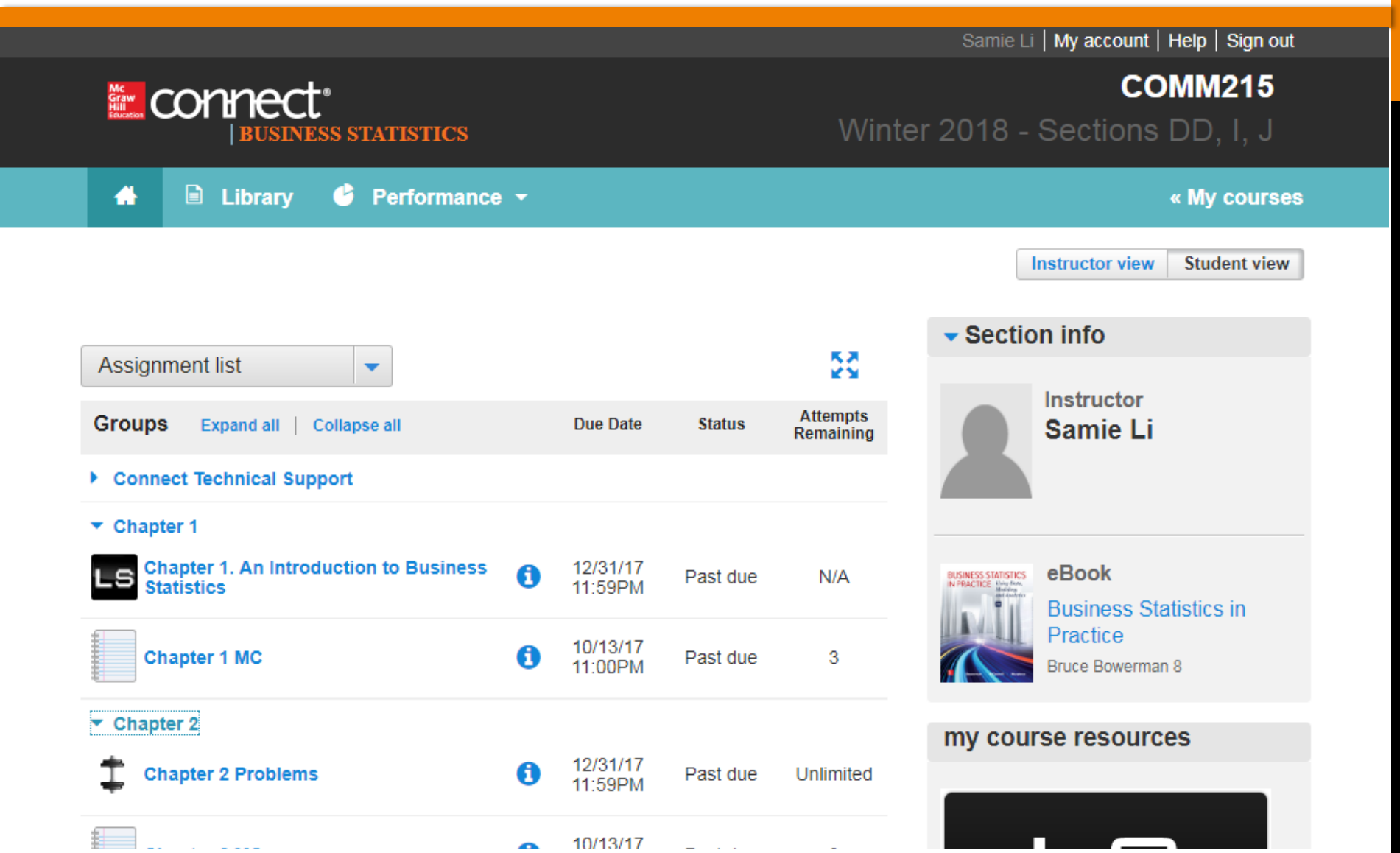
Before Class – Print out

- Training Notebook (WS or NS)
- Theory Slides

After Class

- In-Class Powerpoint
- At home problem solutions

CONNECT


Samie Li | My account | Help | Sign out
connect
BUSINESS STATISTICS
COMM215
Winter 2018 - Sections DD, I, J
Library
Performance
« My courses
Instructor view
Student view
Assignment list
Groups
Expand all | Collapse all
Due Date
Status
Attempts Remaining
Connect Technical Support
Chapter 1
Chapter 1. An Introduction to Business Statistics
12/31/17 11:59PM
Past due
N/A
Chapter 1 MC
10/13/17 11:00PM
Past due
3
Chapter 2
Chapter 2 Problems
12/31/17 11:59PM
Past due
Unlimited
Section info
Instructor
Samie Li
eBook
Business Statistics in Practice
Bruce Bowerman 8
my course resources

Getting Started Workshop

Introduction to Statistics (Chapter 1)

Agenda

1. Setting Up!
2. The Algebra to expect
3. “How to Study”
4. How can I use my resources effectively?
5. Preparing for exams

Setting Up!

The Algebra to expect

- Mental math
- Factorials
- Priorities of calculations
- Background in basic probabilities
- Combinations and Permutations

COMM 215 BUSINESS STATISTICS (Bowerman 8th Edition)

Chapter 2 Descriptive Statistics: Tabular and Graphical Presentations.

$$approximate\ class\ length = \frac{largest\ measurement - smallest\ measurement}{number\ of\ classes}$$

Chapter 3 Descriptive Statistics: Quantitative

Interquartile Range: $IQR = Q_3 - Q_1$

Sample Variance:

$$s^2 = \frac{\sum_{i=1}^{n}(x_i - \bar{x})^2}{n-1}$$

$$s^2 = \frac{1}{n-1}\left[\sum_{i=1}^{n} x_i^2 - \frac{(\Sigma$$

Chapter 4 Probability

Counting Rule for Coml

Addition Rule: $P(A \cup B$
$P(A \cap B)$

Conditional Probability:
$P(A \cap B)/P(B)$

The Multiplication Rule

Chapter 5 Discrete Ran

The Expected Value of a Discrete Random Variable:

$$\mu_x = \sum_{All\ x} xp(x)$$

Variance of a Discrete Random Variable:

$$\sigma_x^2 = \sum_{All\ x} (x - \mu_x)^2 p(x)$$

Number of ways to arrange x successes among n trials:

$$\binom{N}{n} = \frac{n!}{x!\,(n-x)!}$$

Binomial Probability Function: $P(x) = \frac{n!}{x!(n-x)!}p^x q^{n-x}$

Expected Value for the Binomial Distribution: $\mu_x = np$

Variance for the Binomial Distribution: $\sigma_x^2 = npq$

Chapter 6 Continuous Random Variables

$$n = \left(\frac{z_{\alpha/2}\sigma}{E}\right)^2$$

Confidence Interval for the Proportion:

$$\hat{p} \pm z_{\alpha/2}\sqrt{\frac{\hat{p}(1-\hat{p})}{n}}$$

Chapter 9 Hypothesis Testing

z-test for the mean $z = \frac{\bar{x}-\mu_0}{\sigma/\sqrt{n}}$

t-test for the mean $t = \frac{\bar{x}-\mu_0}{s/\sqrt{n}}$

z-test for proportion $z = \frac{\hat{p}-p_0}{\sqrt{\frac{p_0(1-p_0)}{n}}}$

Chapter 12 Goodness-of-Fit Tests

Sample variance:

$$s^2 = \frac{\sum_{i=1}^{n}(x_i - \bar{x})^2}{n-1} = \frac{1}{n-1}\left[\sum_{i=1}^{n} x_i^2 - \frac{\left(\sum_{i=1}^{n} x_i\right)^2}{n}\right]$$

Least squares point estimate of the y-intercept β_0

$$b_0 = \bar{y} - b_1\bar{x}$$

Sum of squares residuals (Sum of squares error)
Total variation SST = $\sum(y_i - \bar{y})^2$
Explained variation SSR = $\sum(\hat{y}_i - \bar{y})^2$
Unexplained variation SSE = $\sum(y_i - \hat{y}_i)^2$
SSE = $\sum y_i^2 - b_0\sum y_i - b_1\sum x_i y_i$

Standard error of the estimate $s = \sqrt{\frac{SSE}{n-k-1}}$

Coefficient of Determination: $R^2 = r^2 = \frac{SSR}{SST}$

F-test for the simple linear regression model
$F = \frac{SSR/k}{SSE/n-k-1}$

Simple regression estimator for the standard error of the slope:

$: t = \frac{b_1-\beta_1}{s_{b_1}}$

n value of y

$\frac{(x_0-\bar{x})^2}{SS_{xx}}$

lual value of y

$\cdot + \beta_k x_k + \varepsilon$

$\sqrt{MSE}$

Multiple coefficient of determination:
$R^2 = r^2 = \frac{SSR}{SST}$

An F-test for the linear regression model:
$F = \frac{SSR/k}{SSE/n-k-1}$

"How to Study"

WHAT TO DO IN CLASS?

- Bring your **print outs**
- **Take notes** on your theory power points
- **Calculate** along with me
- **Fill in** the workbooks

I understand most of it, but I am not sure about the difference between a Ratio and Interval Scale.

Figure it out!.. How?

After Lesson 1…

I understand everything in Lesson 1!

Test yourself!

Previewing a Lesson

Be Prepared for Class (15 minutes)

- ✓Skim through the main topics
- ✓Know what to expect
- ✓Make yourself uncomfortable
- ✓Anticipate what you will learn

BE AWAKE and BE READY for the workout.

How to use my resources effectively?

- ✓Teacher Assistants (TA) Office Hours
- ✓Asking questions on the General Forum
- ✓Tutorials held a few weeks before exams
- ✓Scheduling with the Counseling and Development Center

What else?

- ✓Create your own study groups!

Keeping up!

- **Do not miss a single class…**
  - ✓You will get discouraged easily
- **If you have to…**
  - ✓I teach 3 sessions a week
  - ✓Catch up and catch up fast
- **If you are too far away…**
  - ✓Do not skip class to catch up on previous lessons
  - ✓Preview the current lesson well and listen in class

Preparing for Exams!

- **Simulate the examination- Use a timer**
  - ✓ STAR PROBLEMS
  - ✓ Practice Problems for Midterm/Final
- **Keep up every week, Stay on top**
- **Do not cram the night before the exam**
- **Learn the concepts, do not memorize the problem**

Take Away

- ✓Work smart (working hard blindly is just as ineffective)
- ✓Be Efficient

Introduction to Statistics (Chapter 1)

Content Structure

Application

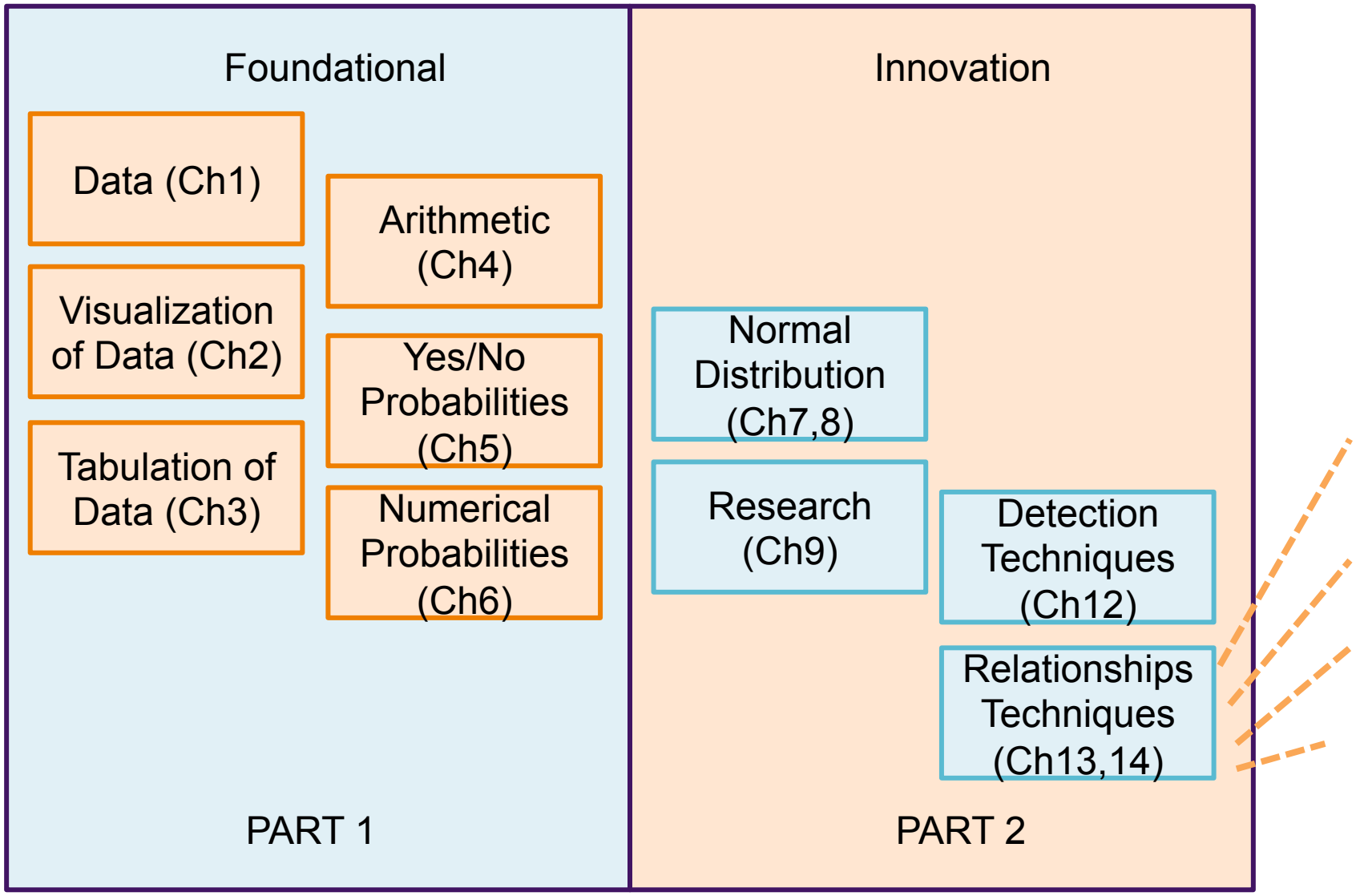
Data Collection

Data Sources

Data Analytics-Mining

Ethics

CONTENT STRUCTURE



STATISTICAL APPLICATIONS

Business needs a record of its past history

- with respect to sales, costs, sources of materials, market facilities, etc.

Statistics are used to measure progress, financial standing, and economic growth.

- A record of business changes- of its rise and decline and of the sequence of forces influencing it- it necessary for estimating future developments.

STATISTICAL APPLICATIONS

Our behavior in the marketplace help companies make decisions on products to be retained, dropped, or modified.

Opening Hours

7 Days from 8:00 to 21:00

TEA OF THE MONTH

turmeric glow

Get glowing with this warming herbal tea packed with ginger, carrots and turmeric. Shop now

FIND THE PERFECT TEA

Featured Ingredients

chocolate

- [ ] almonds
- [ ] blueberry
- [ ] vanilla bean
- [x] chocolate
- [ ] fennel
- [ ] fig
- [ ] blackberries
- [ ] white hibiscus
- [ ] rosehips
- [ ] licorice root
- [ ] strawberry
- [ ] cornflowers
- [ ] spearmint

Flavor Profile

All

- [ ] cocoa
- [ ] raspberry
- [ ] passion fruit
- [ ] cinnamon
- [ ] beetroot
- [ ] coriander
- [ ] eleuthero root
- [ ] blackberry leaf
- [ ] sea buckthorn berries
- [ ] cloves
- [ ] lemon
- [ ] elderberry
- [ ] pomegranate

Caffeine Level

All

SHOW 12

2 RESULT(S)

DATA COLLECTION

Tell a story

Student Name	Gender	Status	University Year	Age Bracket	Hours of Sleep in a day
Sandra	F	Full Time	1	20-23	9-11
Eric	M	Full Time	2	20-23	6-8
Brad	M	Part Time	1	27+	3-5

Elements

Variables

SCALES OF MEASUREMENT

Scales of Measurement

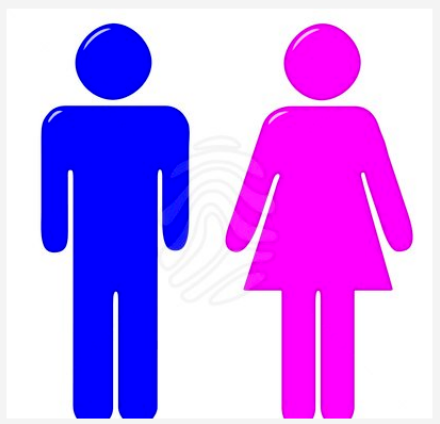
- Nominal scale
- Ordinal scale
- Interval scale
- Ratio scale

SCALES OF MEASUREMENT

Nominal scale

- A variable consist of labels or names used to identify an attribute of the element

- 1: Male, 2: Female
- 1:Full-Time, 2:Part-Time



SCALES OF MEASUREMENT

Nominal + Rank

Ordinal Scale

- The data exhibits the properties of nominal data
- The order or rank of the data is meaningful.

[1] **Strongly agree**
[2] **Agree**
[3] **No Opinion**
[4] **Disagree**
[5] **Strongly disagree**

SCALES OF MEASUREMENT

No Absolute Zero

Interval Scale

- All the properties of ordinal data
- The interval between values is expressed in terms of a fixed unit of measure.
- Interval data are always numeric.
    - E.g: GPA scores, Temperature

[4.00]	[3.00]	[2.00]	[1.00]	[0.00]
A	**B**	**C**	**D**	**Fail**

SCALES OF MEASUREMENT

Absolute Zero

Ratio scale

- All the properties of interval data
- The ratio of two values is meaningful.
    - E.g: distance, height, weight .

- Bob is 140lbs, Mary is 70lbs.
- Bob is _____ heavier than Mary.

SCALES OF MEASUREMENT

Eric has a GPA is 3.00, Sam has a GPA of 1.50.

Can you say Eric is two-times smarter than Sam?

PROBLEM # 1.1

For each of the following, indicate the scale of measurement that best describes the information.

In 2008, Dell corporation had approximately 78,000 employees.

ANSWER: Ratio scale; there is an absolute zero point associated with the number of employees.

Source: Fortune, May 4, 2009, p.F-48

PROBLEM # 1.1

For each of the following, indicate the scale of measurement that best describes the information.

USA Today reports that the previous day's highest temperature in the United States was 105 degrees in Death Valley, California.

ANSWER: Interval scale; there is no absolute zero point for temperature.

Source: USA Today, June 19, 2009, p.12A

PROBLEM # 1.1

For each of the following, indicate the scale of measurement that best describes the information.

An individual respondent answers “yes” when asked if TV contributes to violence in Canada.

ANSWER: Nominal scale; we could use "1" to identify yes and "0" for no.

PROBLEM # 1.1

For each of the following, indicate the scale of measurement that best describes the information.

In a comparison test of family sedans, a magazine rates the Toyota Camry higher than the VW Passat.

ANSWER: Ordinal scale; the cars are ranked but there is no measure for the distance between them.

RESEARCH

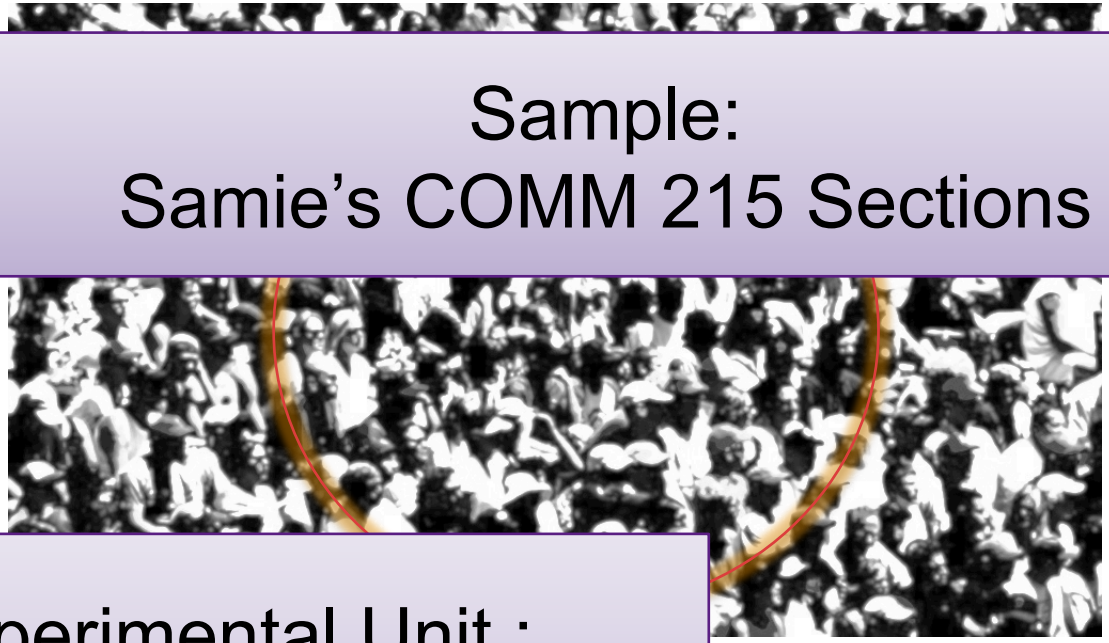
Population:
All students who have taken COMM 215

A **population** is a set of units (usually people, objects, transactions, or events) that we are interested in studying. E.g. All students who have taken COMM 215.

A census: An examination of all units in a population.

http://www.cartoonstock.com/newscartoons/cartoonists/hkh/lowres/hkhn17l.jpg

RESEARCH



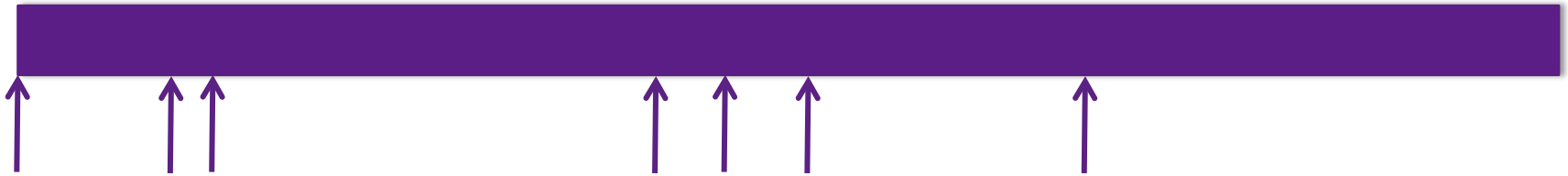
Sample:
Samie's COMM 215 Sections

Experimental Unit :
Samie is going to collect data from her sections.

SAMPLING

Voluntary response sampling

Simple Random sampling



SAMPLING

Stratified random sampling

Systematic sampling

TYPES OF DATA

Categorical Data vs Quantitative Data

Cross-Sectional vs Time Series

TYPES OF DATA-CATEGORICAL

Categorical Data

- Grouped by specific categories.
- Categorical data are obtained using either the _____ or _____ scale of measurement.

Nominal **Ordinal**

TYPES OF DATA-QUANTITATIVE

Quantitative Data

- Numeric values
- Quantitative data are obtained using either the _____ or _____ scale of measurement.

Ratio **Interval**

TYPES OF DATA

Cross-Sectional Data- same point in time

- Today, I will be collecting data from all COMM 215 students at the same time.

Time series data- different times

- Through out the semester, I will be collecting data every week from a few specific students.

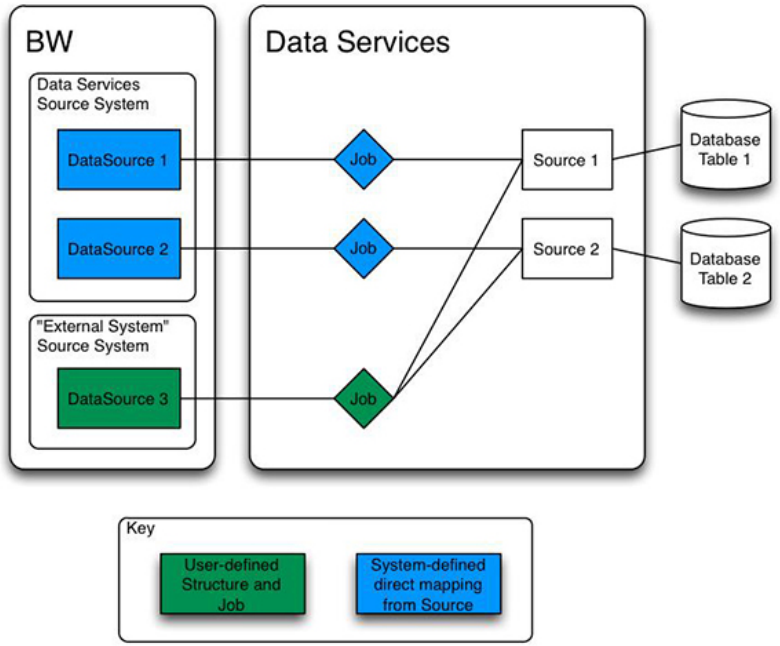
DATA SOURCES

Existing Sources

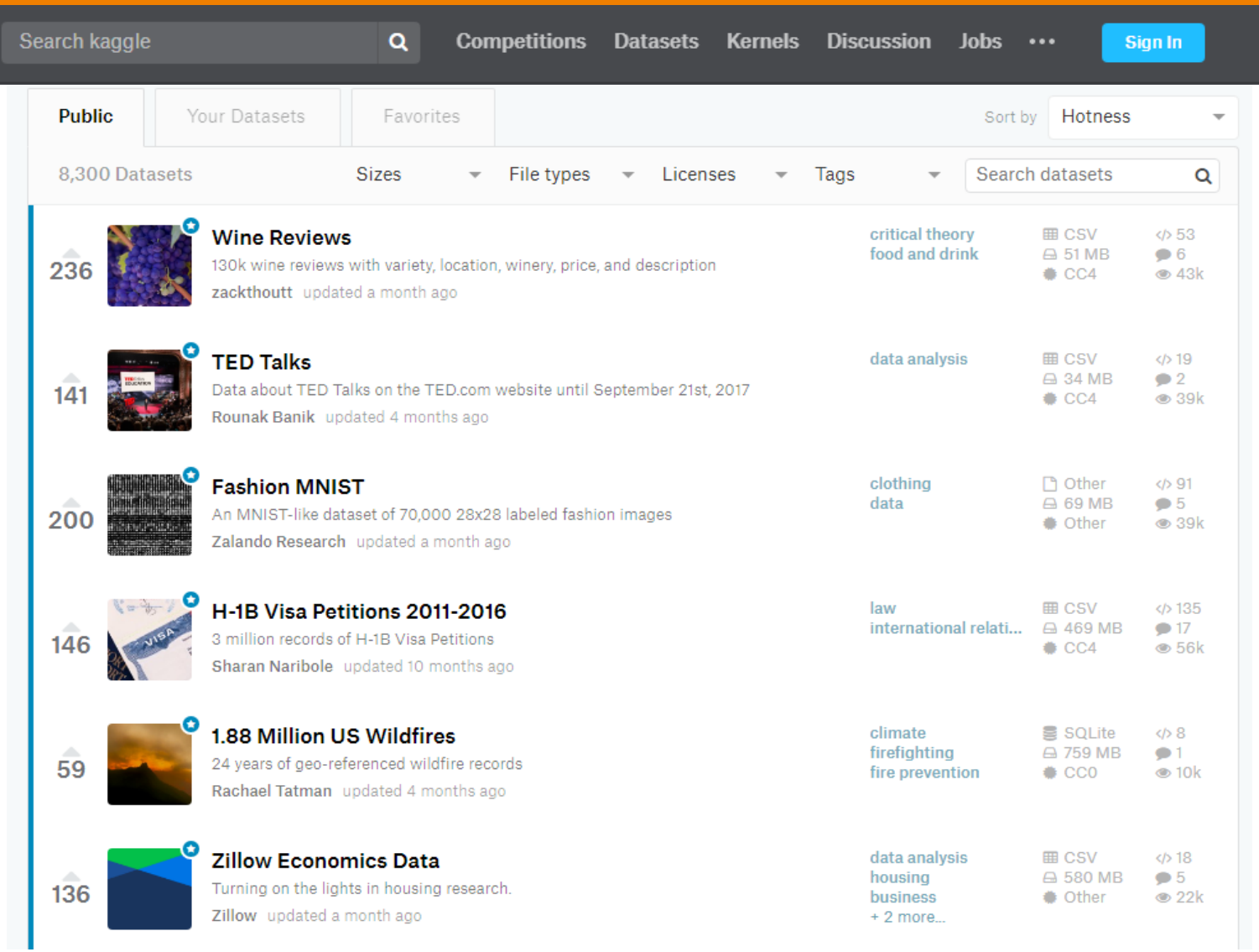
- Primary sources – SAP, ORACLE
- Secondary sources - Statistics Canada (www.statcan.gc.ca)

Data Acquisition Errors

- Making errors during data collection
- Writing 24-year-old as 42 year-old
- Asking ambiguous questions
- Inconsistency
- Spotting outliers
- Selection bias



KAGGLE DATA COMPETITION



Source: https://www.kaggle.com/datasets

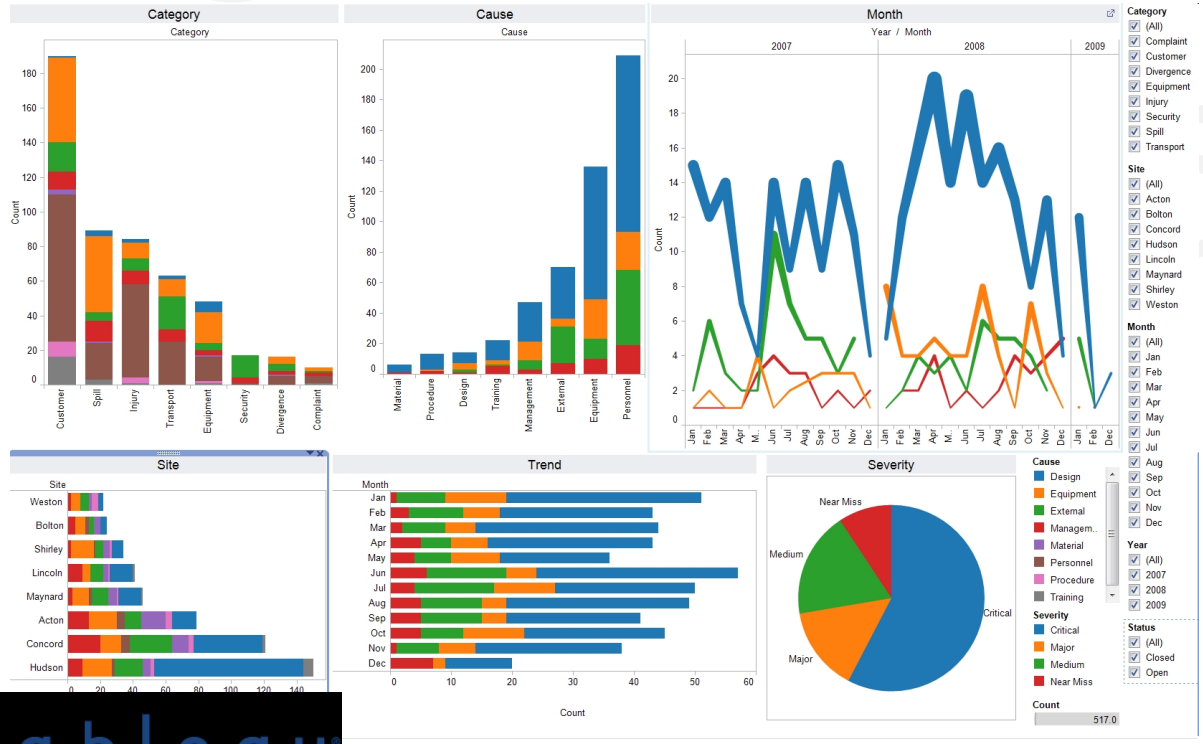
DATA GOVERNMENT

Source: https://www.data.gov/

DESCRIPTIVE STATISTICS

Descriptive Statistics
utilizes numerical graphical methods

- to look for patterns in a data set
- to summarize the information revealed in a data set
- to present the information in a convenient form.



STATISTICAL INFERENCE

Inferential Statistics utilizes sample data

- to make estimates, decisions, predictions, or other generalizations about a larger set of data.

Sample of 500 Students in COMM215	
Year	COMM215 Failure Rate
2011	11.5 %
2015	12.3 %
2016	12.0 %
2017	11.0%
2018	**?**

PROBLEM # 1.2
KEY ELEMENTS OF STATISTICAL PROBLEM

Cola wars is the popular term for the intense competition between Coca-Cola and Pepsi displayed in their marketing campaigns. Their campaigns have featured movie and television stars, rock videos, athletic endorsements, and claims of consumer preferences based on taste tests. Suppose, as part of a Pepsi marketing campaign, 1,000 cola consumers are given a blind taste test. Each consumer is asked to state a preference for brand A or brand B.

Describe the population.

Describe the variable of interest.

Describe the sample.

Describe the inference.

PROBLEM # 1.2
KEY ELEMENTS OF STATISTICAL PROBLEM

Population of interest: all cola consumers

Variable of interest: cola preference

Sample: 1,000 cola consumers selected

Inference: generalization of the cola preference of 1,000 sampled consumers to the population of all cola consumers.

BUSINESS STATISTICS DATA MINING

outlier detection

association learning

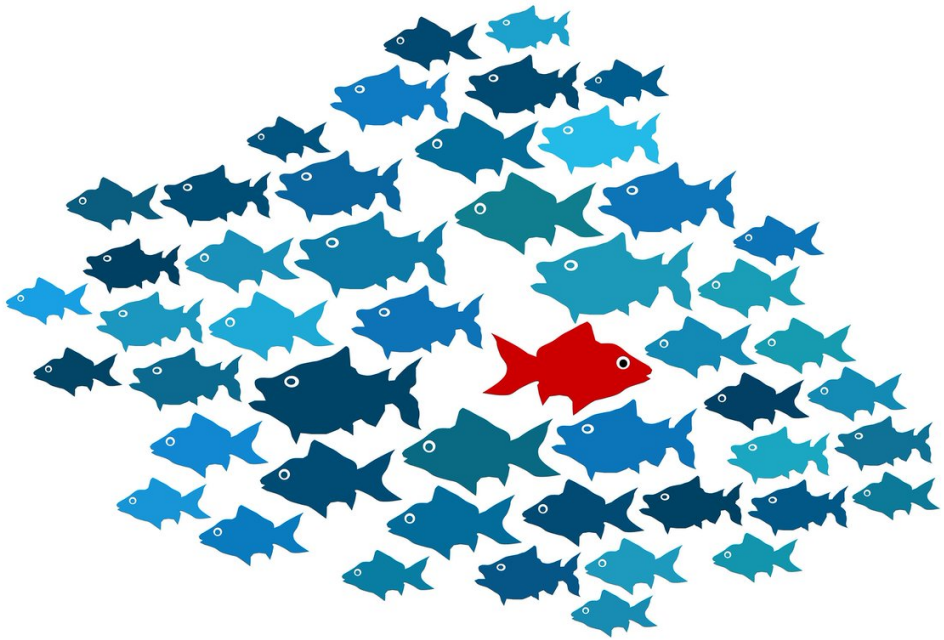
classification

cluster detection

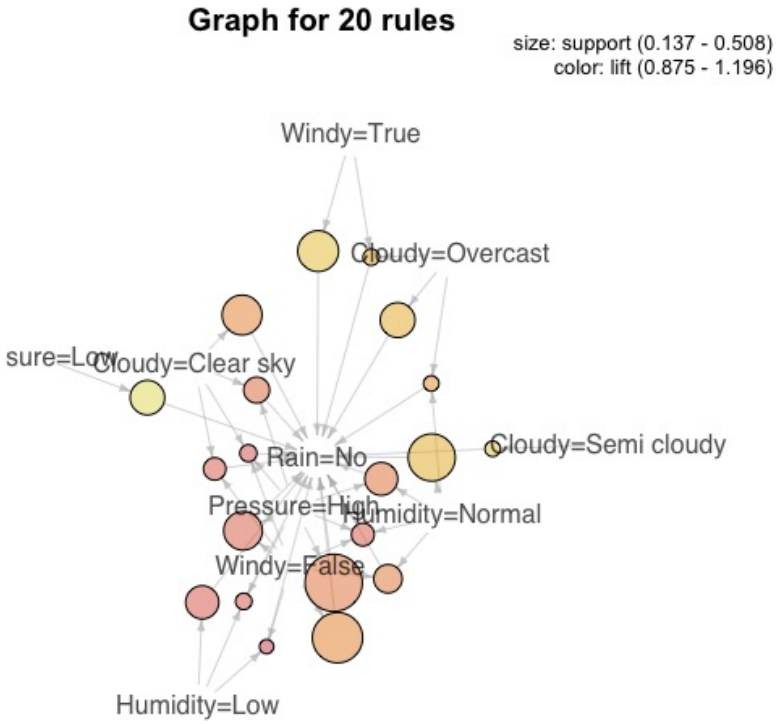
prediction

factor detection

BUSINESS STATISTICS – DATA MINING

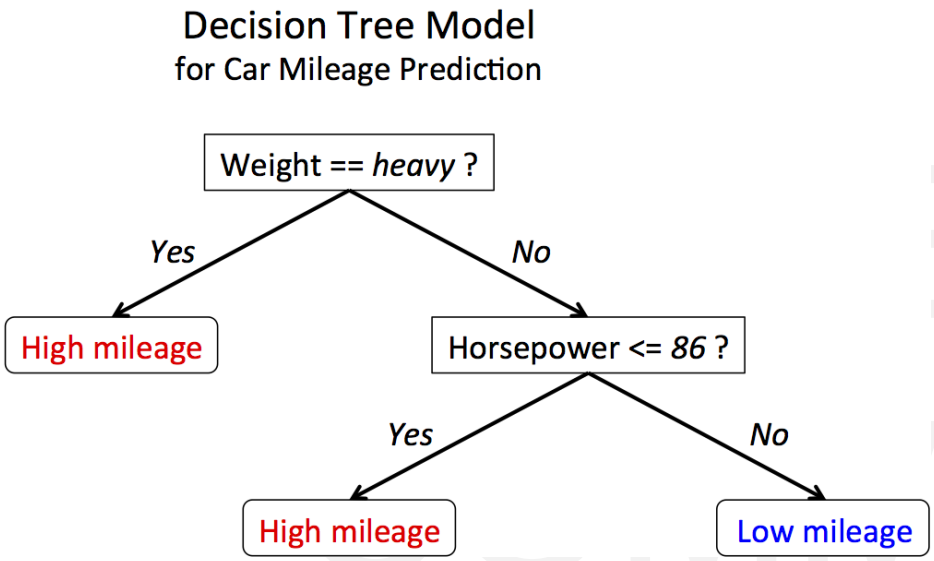


OUTLIER DETECTION

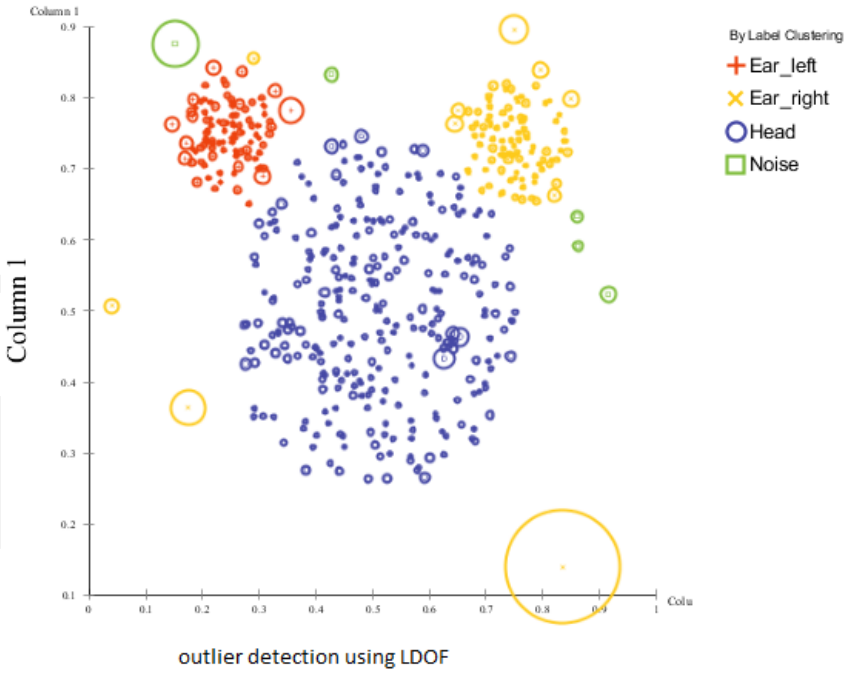


ASSOCIATION LEARNING

BUSINESS STATISTICS – DATA MINING



CLASSIFICATION METHODS

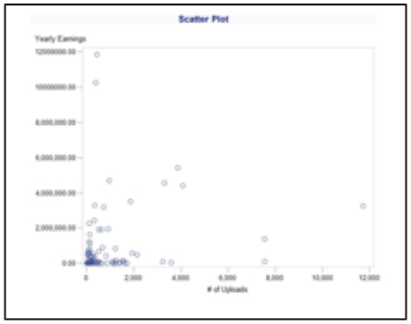


CLUSTER ANALYSIS

WHAT MAKES A YOUTUBER SUCCEED?

Youtuber (Just to make it more intersting a few on here where chosed ranc	# of Uploads	# of Views	# of Subscribers	Category/Channe	Country	Lower Limit	Upper Limit	Yearly Earnings
Charles and Allie - CTFxC	3,226	753,229,087	1,489,897	People	US	$10,700.00	$170,500.00	$90,600.00
BuzzFeed	121	40,137,477	724,664	People	US	$13,600.00	$217,200.00	$115,400.00
Jesssfam	1,106	165,622,564	475,481	People	US	$12,400.00	$198,800.00	$105,600.00
Florennce99			60	People	CA	$611.00	$9,800.00	$5,205.50
Ladylike			73	People	US	$88,000.00	$1,400,000.00	$744,000.00
||Superwoman|			77	Comedy	CA	$224,000.00	$3,600,000.00	$1,912,000.00
FatheringAutis			63	People	US	$8,100.00	$129,500.00	$68,800.00
vlogbrothers			08	People	US	$17,400.00	$278,600.00	$148,000.00
Francetv Sport			86	Sports	FR	$12,200.00	$195,300.00	$103,750.00
You Suck At C			80	Howto	US	$26,100.00	$417,200.00	$221,650.00
SJ Son			51	Comedy	US	$4.00	$69.00	$36.50
FitnessBlender			76	Howto	US	$48,400.00	$774,300.00	$411,350.00
Pewdiepie			25	Comedy	US	$535,500.00	$8,600,000.00	$4,567,750.00
Shyma {AllNat			14	Howto	CA	$188.00	$3,000.00	$1,594.00
Emma Bosse								
The LaVigne Li								
BdoubleO100								
rebecca								
caseylavere								
Markiplier								
Samy Kamkar								
Silent Circle								
The Film Theor								
minutephysics								
HolaSoyGerma								
ElRubiusomg								
Yuya								

Number of uploads



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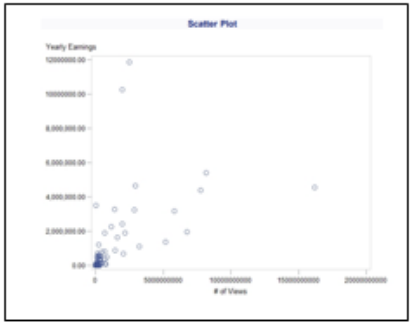
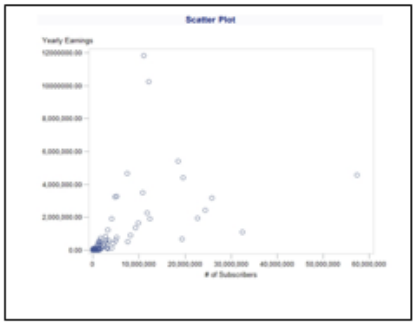
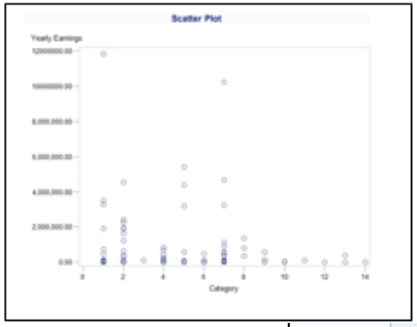


Number of subscribers



Category type



Correlation Analysis

The CORR Procedure

iables: # of Uploads # of Views # of Subscribers Category Yearly Earnings

Simple Statistics

ariable	N	Mean	Std Dev	Sum	Minimum	Maximum
of Uploads	99	864.77778	1710	85613	3.00000	11741
of Views	99	891046275	2212463863	8.82136E10	5110	1.61904E10
of Subscribers	99	4190343	8326145	414843982	0	57346925
ategory	99	4.52525	3.24303	448.00000	1.00000	14.00000
early Earnings	99	845198	1880725	83674633	0.54000	11850000

Pearson Correlation Coefficients, N = 99
Prob > |r| under H0: Rho=0

	# of Uploads	# of Views	# of Subscribers	Category	Yearly Earnings
Uploads	1.00000	0.39197	0.19545	0.06139	0.21282
		<.0001	0.0525	0.5461	0.0344
Views	0.39197	1.00000	0.88709	-0.03893	0.53936
	<.0001		<.0001	0.7021	<.0001
# of Subscribers	0.19545	0.88709	1.00000	-0.06795	0.53653
	0.0525	<.0001		0.5040	<.0001
Category	0.06139	-0.03893	-0.06795	1.00000	-0.07621
	0.5461	0.7021	0.5040		0.4534
Yearly Earnings	0.21282	0.53936	0.53653	-0.07621	1.00000
	0.0344	<.0001	<.0001	0.4534	

x_1: # of uploads
x_2: # of views
x_3: # of subscribers
x_4: category

PREDICTION – RELATIONSHIP DETECTION

Project by Kayla V. Michele P. Andrea Cristina S. from BSTA378Fall 2017

COMM215 First the Foundation, then Innovation

ETHICAL GUIDELINES FOR PRACTICE

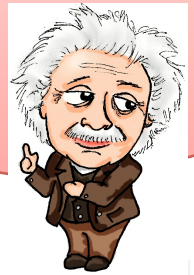
Statistical thinking

- Know how the data was collected- Is the data from a reliable source?
- Is it a random sample? Or “Self-Selected”?
- Is it possible? Does the data make sense?

If the biased sample was intentional, with the sole purpose to mislead the public the researchers would be guilty of unethical statistical practice.

MISLEADING STATISTICS

'One in several billion.'



'Assuming that the defendant did not commit this crime, what is the probability that the defendant and the culprit having identical fingerprints?'

'Oh, about 1 in 100.'

'Let me ask you a different question. What is the probability that a fingerprint lifted from a crime scene would be wrongly identified as belonging to someone who wasn't there?'

Forensic DNA Databases and Race: Issues, Abuses and Actions held June 19-20, 2008, at New York University. To link to this paper, visit www.gene-watch.org.

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