

Monday, April 29, 2019

- Warm-up – choose the best answer & justify it
 - A city wants to conduct a poll of taxpayers to determine the level of support for constructing a new city-owned baseball stadium. Which of the following is the main reason for using a large sample size in constructing a confidence interval to estimate the proportion of city taxpayers who would support such a project?
 - A. To increase the confidence level ~~X~~ → blocking stratification
 - B. To eliminate any confounding variables ~~X~~
 - C. To reduce nonresponse bias ~~X~~
 - D. To increase the precision of the estimate ←
 - E. To reduce undercoverage ~~X~~
- Review linear regression

Objectives

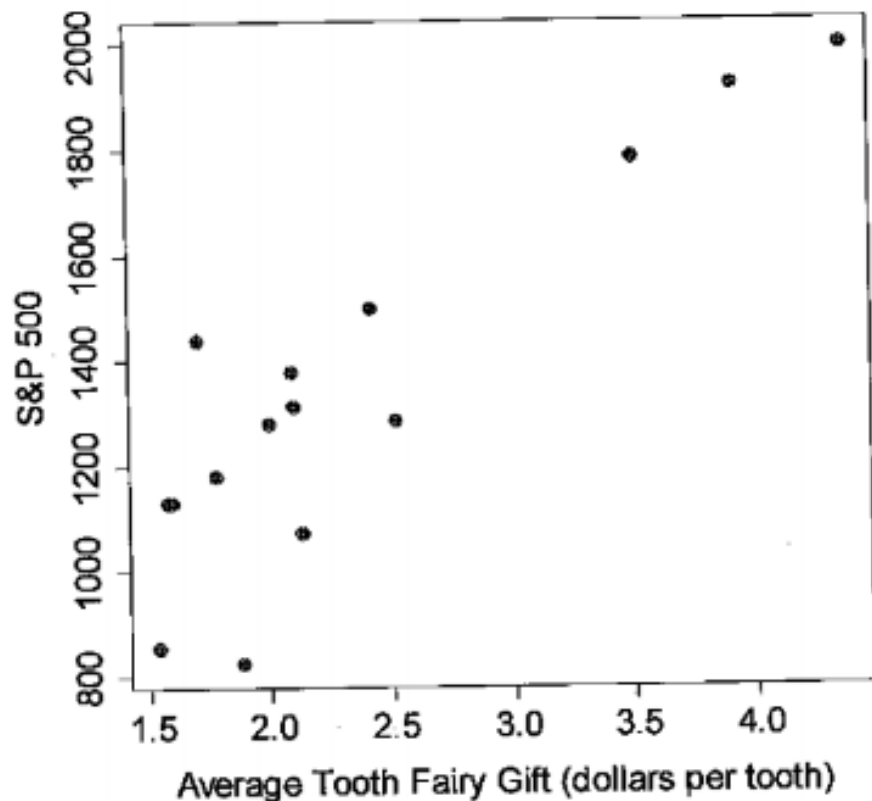
Content: I will review inference with **linear regression** through practice problems.

Social: I will participate in class discussion.

Language: I will look for and define key vocabulary so that I recognize it on assessments.

Using annual survey data, Delta Dental estimates that the average tooth fairy gift (measured in dollars per tooth). The S&P 500 is a leading economic indicator based on the stock prices of 500 large companies. Is the Tooth Fairy Index also an economic indicator? The scatter plot below shows the relationship between these variables for the last 15 years.

The Tooth Fairy Index



a) Describe the relationship between the Tooth Fairy Index and the S7P 500.

Using annual survey data, Delta Dental estimates that the average tooth fairy gift (measured in dollars per tooth). The S&P 500 is a leading economic indicator based on the stock prices of 500 large companies. Is the Tooth Fairy Index also an economic indicator? The scatter plot below shows the relationship between these variables for the last 15 years. Minitab output from a linear regression on these data is shown below.

Predictor	Coef	SE Coeff	T	P
Constant	524.77	127.41	4.12	0.001
Tooth	347.94	51.13	6.80	0.000

S = 168.8 R-Sq = 78.1 R-Sq(adj) = 76.4

- What is the equation of the least-squares regression line?
- Interpret the slope and y-intercept from the equation.
- Determine the correlation between the Tooth Fairy Index and the S&P 500. Interpret this in context.

1.5 2.0 2.5 3.0 3.5 4.0
Average Tooth Fairy QM (dollars per tooth)

Minitab output from a linear regression on these data is shown below.

Regression	Const	Slope	T	P
Constant	328.77		8.12	0.000
Slope	347.99		11.1	0.000
S = 168.8	S-Reg = 78			18.4

b) What is the equation of the least squares regression line?

$$\widehat{Sp500} = 347.99 ($$

c) Interpret the slope.

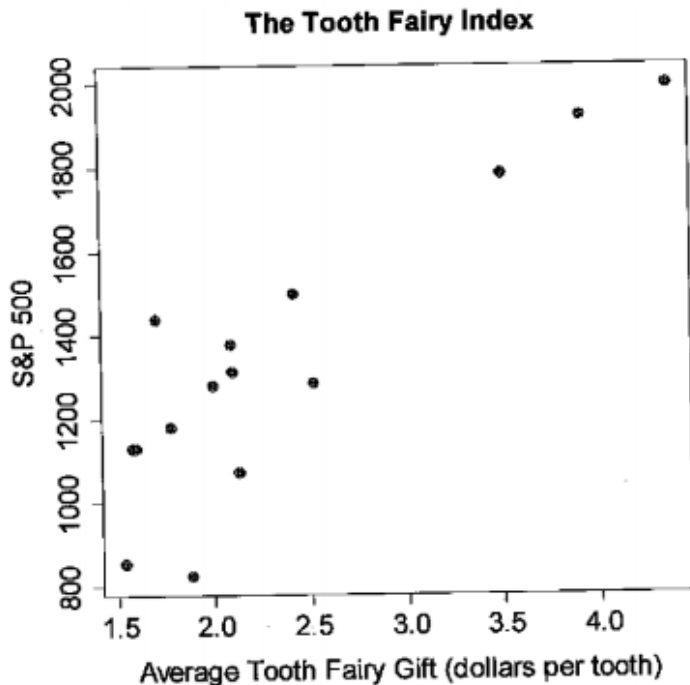
d) Determine the correlation coefficient.

Interpret this value in context.

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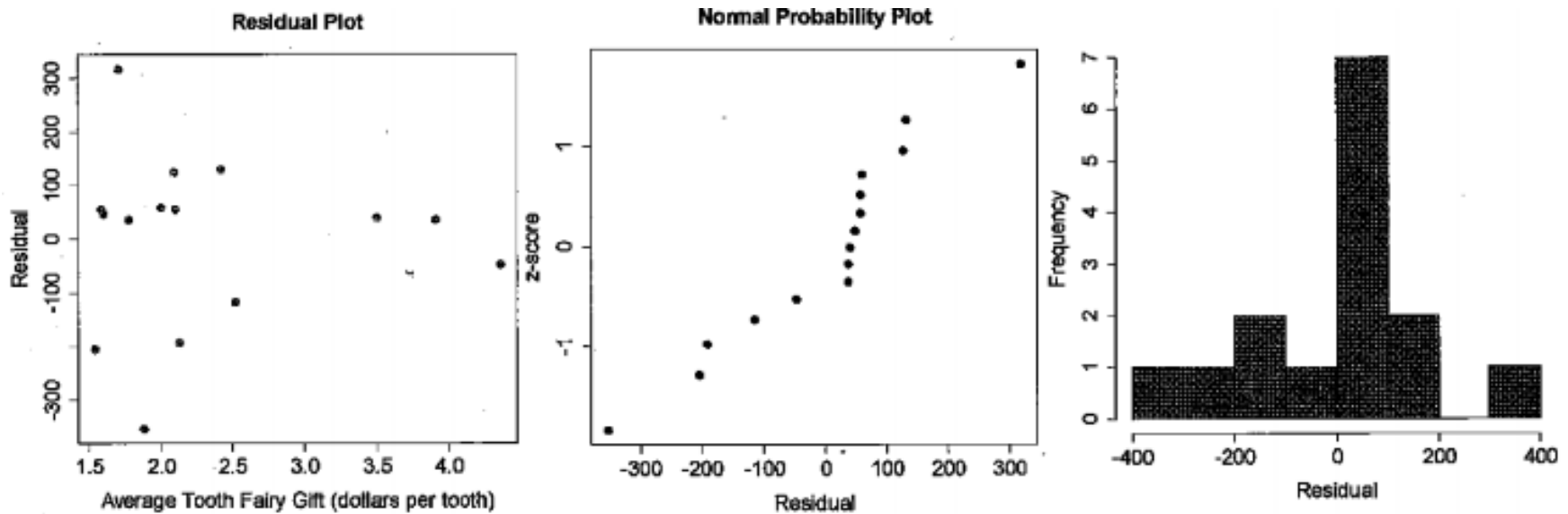
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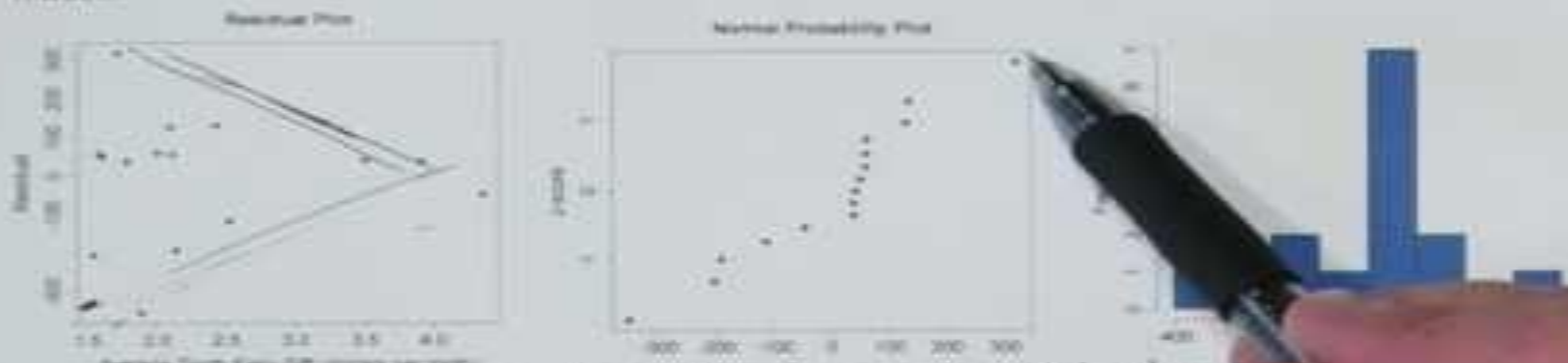
a) Is a linear model appropriate for describing the relationship between the Tooth Fairy Index and the S&P 500?

Using annual survey data, Delta Dental estimates that the average tooth fairy gift (measured in dollars per tooth). The S&P 500 is a leading economic indicator based on the stock prices of 500 large companies. Is the Tooth Fairy Index also an economic indicator? The scatter plot below shows the relationship between these variables for the last 15 years.



b) Use the plots and histogram to check the conditions for performing inference about the regression model.

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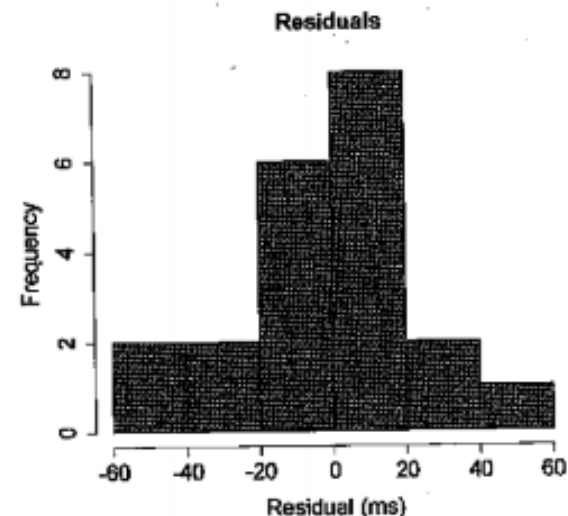
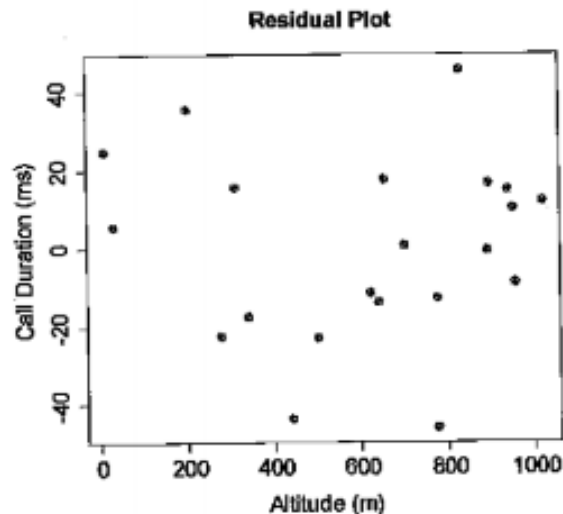
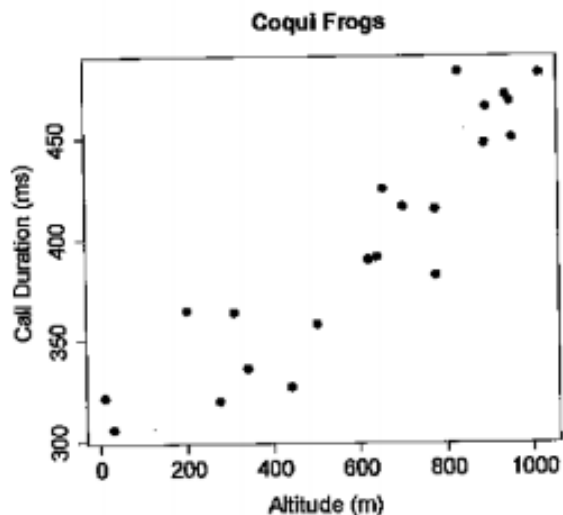


Linear: Our scatterplot appears linear, but the residual plot shows variation in the SP500's value for lower values of average tooth fairy gift.

Independence: We suspect the values of our variables are not independent because the data comes from consecutive years and the values of average tooth fairy gift are at least partially dependent on previous years amount. Not met.

Normal:

A coqui frog's call starts with a "CO" followed by a higher pitched "QUI." The duration of this call varies. A linear regression on the relationship between the call duration (measured in milliseconds) and altitude (measured in meters) resulted in the following output from statistical software.



R squared = 83.7% R squared (adjusted) = 82.9%
 S = 24.28 with $21 - 2 = 19$ deg of freedom

Variable	Coef	SE Coeff	T	P
Constant	295.225	11.7743	25.07	0.000
Altitude	0.171	0.0173	9.89	0.000

Calculate and interpret a 95% confidence interval for the slope for the slope of the true regression line.

R squared = 83.7% R squared (adjusted) = 79.7%
S = 24.08 with 21 - 2 = 19 deg of freedom

Variable	Coef	SE Coef
Constant	198.205	18.8
Altitude	0.171	0.012

Calculate and interpret a 95% confidence interval for the coefficient of altitude.

Linear: The original scatterplot shows a positive linear relationship between altitude and call duration. The residual plot is appropriate.

Independence: We must assume that the calls are independent.

Normal: The histogram of the residuals is roughly bell-shaped, so the residuals might be Normal.

Equal Variance: The residual plot shows that the spread of the residuals is constant.

Random: We must assume these are random calls.

altitude of
seems

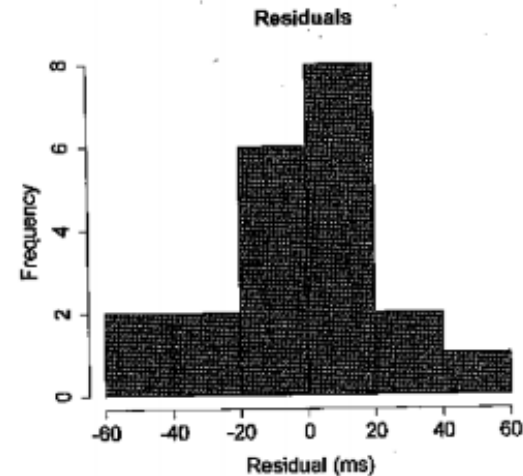
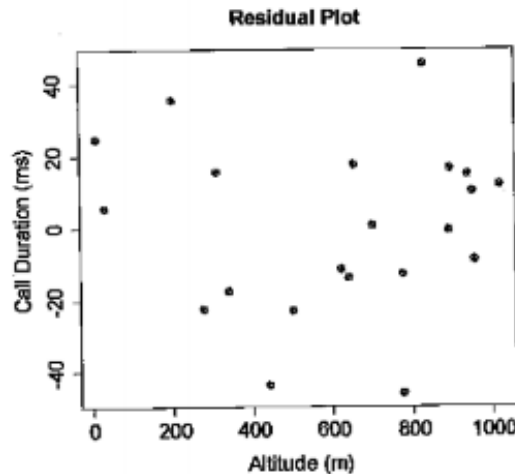
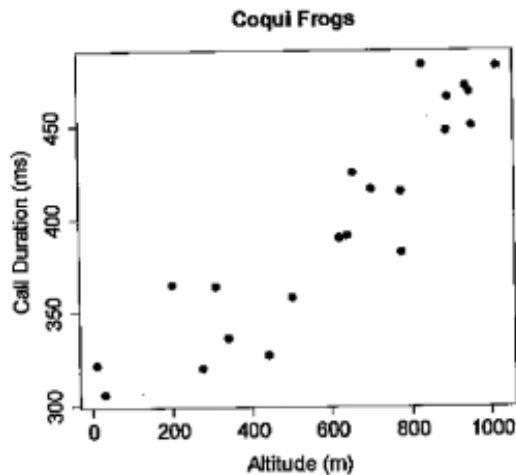
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sample

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Constant	295.225	11.7743	25.07	0.000
Altitude	0.171	0.0173	9.89	0.000

- Is there statistically convincing evidence of a linear relationship between altitude and call duration?
- How does the confidence interval constructed on the previous problem relate to your findings in part a?
- Interpret s , r^2 , and the standard error of the slope in context.

Use the context and information from Day 94 to answer the following.

a) Is there statistically convincing evidence of a linear relationship between altitude and call duration?

State: We want to test the following hypotheses at the $\alpha=0.05$ level:

$H_0: \beta = 0$ where β is the true slope of the population regression equation.

$H_a: \beta \neq 0$ relating altitude to call duration.

Plan: We checked conditions on day 94, so we will do a t -test for β .

Do: $t = \frac{b - 0}{s_b} = \frac{.171 - 0}{.0173} \approx 9.88$



Homework

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(1, 2, 12)

