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## PRACTICAL INFORMATION

### Major news:

- last quiz currently on, until the end of today (Thursday),
- last home assignment to be returned to you in Monday's lab 1-3pm,
- course syllabus posted to webpage,
- still a need for your input (questions/requests) for the last two sessions (13–P/R).

### Today's lecture

- Exam for 20% of the course mark conducted as a take-home exam:  
starting **MONDAY 14/12, 9AM** (Atlantic time), with a 24 hour timeline,
  - \* exam practical remarks,
  - \* exam questions (types, calculations),
- **review slides**: new or partly new slides, 13L–4/.../13,
- also a **list of review slides** from previous lectures (appendix, 13L–14),
- **review of exam questions** from final exam 2015:
  1. descriptive statistics/two-sample inference,
  2. proportion data/sample size,
  3. ANOVA/regression.

## EXAM PRACTICAL REMARKS

For the rules around the exam, see the updated [Instructions for home assignments, quizzes and exam](#) at the course homepage.

Some notes on [logistics](#):

- the exam questions will be available at Moodle and/or the course homepage in either .htm or .pdf formats, and with datafiles in both Minitab and .csv formats,
- send any questions to me by e-mail at the usual address (hstryhn@upei.ca),
- submit your answers through Moodle as electronic files:
  - \* different files and file types are allowed, e.g. Word, .pdf, scanned text (.pdf or standard image formats), Minitab project files,
  - \* if multiple files are submitted, their roles as part of the answer must be clear.

Expected [level of detail](#):

- [statistical model](#) should be part of all data analysis,
- for analysis by software: the [method/settings used](#) should be described and justified (as per statistical reporting), and results should be presented in the text,
- assessment of model assumptions is [understood](#) to be part of all data analysis,
- [conclusions](#) and [interpretations](#) should be part of all analyses.

## EXAM QUESTIONS

The plan is for **two questions**, each for 10% of the course mark:

- A) one “standard” question similar to previous (in-class) exams<sup>1</sup>,
- B) one “small home assignment” focused on practical data analysis and presentation<sup>2</sup>.

Options for **type A) question** and its sub-questions:

- choice of statistical model and analysis —
  - \* carry out analysis when calculations manageable (see below),
  - \* or base analysis on Minitab print + extra calculations,
  - \* or outline analysis if calculations not manageable,
- probability calculations manageable (see below),
- brief essay (10 lines) to explain statistical concept, to interpret result, or to explain why something is wrong.

Possible calculations	Too complex calculations
simple probabilities (e.g., $1 - p$ , $(1 - p)^n$ , simple binomial)	statistical analysis of normal distrib. models without calculation help (given statistics or computer output)
standardization in normal distribution	probability plots, residual plots
$t$ -test and CIs (given suitable estimates)	$\chi^2$ -tests
backtransformation of estimates to original scale	rank-based nonparametric tests

<sup>1</sup> Such questions require no (major) software analysis, but may be based on supplied Minitab listings.

<sup>2</sup> “Small” means less sub-questions and -analyses than a typical home assignment.

## OUTLINE OF STATISTICAL ANALYSIS

### Data description:

- descriptive statistics: plots, tables, simple statistics — for the purposes:
  - \* overview of the data,
  - \* detect errors / “different” observations (**outliers**)
  - \* focus attention on what’s relevant.

**Statistical model:** we formulate statistical models containing theoretical distributions and unknown parameters, in order to

- make clear the assumptions (and utilize them),
  - let (statistical) parameters<sup>3</sup> represent issues of interest,
- “All models are approximations, but some are useful” (Box).

**Estimation:** our information about the parameters from the observed data is summarized in **statistics** or **estimates**:

- quantities calculated from the data to give **possible parameter values**,
- aim of statistical methodology: obtain **estimates as close to true values** as possible<sup>4</sup>,
- all estimates should be accompanied by a **measure of uncertainty**, such as **standard error** or **confidence interval**.

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<sup>3</sup> In our statistical setup, parameters are fixed, unknown numbers describing a population.

<sup>4</sup> In most cases, it is unlikely and implausible that an estimate would be exactly equal to the true value.

### Model check:

- comparison of observed distribution and assumed theoretical distribution (using estimated parameters),
- **methods**: graphical (plots) or numerical (tests),
- if model unsatisfactory, **start over with new model**<sup>5</sup>,

### Hypothesis testing:

- formulate, using model parameters, **null hypothesis**  $H_0$  (model simplification) and **alternative hypothesis**  $H_a$ ,
- the **test statistic** and associated ***P*-value** summarize our evidence **against null hypothesis**, which we may **reject** (low *P*) or **not reject** (high *P*).

### Final Model:

- **simplest possible** after model reduction(s),
- if necessary, re-estimate model parameters (with CI).

### Conclusion / Presentation:

- summary of test results,
- illustrations of **implications** of the final model, e.g. prediction; also, **presentation** of estimates (with SE or CI).

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<sup>5</sup> For less serious violations of model assumptions, it may alternatively be reasonable to **proceed with caution**.

## GRAPHS IN STATISTICAL ANALYSIS

Graphs have different **purposes**:

- **Descriptive**: show the shape of the distribution in a dataset,
  - \* dotplot and stemplot (raw data),
  - \* histogram (grouped raw data),
  - \* boxplot (schematic for descriptive statistics),
  - \* scatterplot (raw data, 2 variables),

**note**: small datasets are best illustrated by raw data plots, and more data  $\Rightarrow$  more schematic/grouped plots,
- **Model check**: graphical assessment of one or more model assumptions,
  - \* normal probability plots (check normal distribution within groups/samples),
  - \* residual plots (check different assumptions in normal models),
- **Presentation**: graphical display of estimates (possibly with measure of uncertainty) from (complex) analysis,
  - \* group mean plots with error bars, based on model standard deviation ( $\sqrt{\text{MSE}}$ ), (ANOVA models),
  - \* fitted line plots (regression).
  - \* interaction plots (2-way ANOVA).

## ABOUT STATISTICAL MODELS

### What is a statistical model?

- a formal statement/description of the assumptions made for specific statistical inference(s), such as statistical hypothesis test(s) and confidence (or prediction) interval(s),
- the assumptions quantify the random variability in the data relative to model parameters (= the constants representing the underlying population).

### How to state/write a statistical model? (for the exam) — choose between:

- formal notation with equations and explicit parameters, e.g.
  - i) 1-sample:  $X_i$ 's are i.i.d. and  $\sim N(\mu, \sigma)$ ,
  - ii) regression:  $Y_i = \beta_0 + \beta_1 \cdot x_i + \varepsilon_i$ , with  $\varepsilon_i \sim N(0, \sigma)$ ,
- or a descriptive (but detailed) statement, e.g.
  - i) sample from a normal distribution with unknown mean and standard deviation,
  - ii) a linear relationship:  $Y = \beta_0 + \beta_1 \cdot x + \text{error}$ ,  
where the errors are normally distributed with mean 0 and the same standard deviation,
- or any mix (or variation) of these, where assumptions are explicitly stated or clearly understood.

## CHOICE OF STATISTICAL MODEL

Some useful questions to ask about the data:

- purpose of study?
- what is the observational unit/experimental unit/subject?
- response/outcome<sup>6</sup> or explanatory/predictor variable?
- continuous or categorical (including binary) variable?
- which variables/groupings/classifications should enter into the model? — e.g.,
  - \* a single sample (normal, binomial),
  - \* two independent samples (normal, binomial, multinomial),
  - \* several independent samples (one-way ANOVA, two-way table of counts),
  - \* paired observations  $\Rightarrow$  single sample for differences,
  - \* two-way classification (two-way table of counts),
- continuous variable (explanatory or response) to be used for prediction of another variable? (regression)
- two continuous response variables with no wish to predict one from the other? (correlation),
- transformation? (to achieve normal distribution, homogeneity of variance, linear relation).

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<sup>6</sup> What defines a response variable is that it has (real) random variation.

## MULTI-PURPOSE STATISTICAL TESTS

Some statistical tests are **specific** to a single situation/use, e.g. tests for normality and rank-based tests. However, tests named after a probability distribution usually have **multiple** uses:<sup>7</sup>

# 2 independent samples

Name	Use(s) in course	Instances/Versions
<i>z</i> -test	normal distrib. inference with known $\sigma$ binomial distrib. inference	1-sample <i>z</i> -test 2-sample <sup>#</sup> <i>z</i> -test (barely covered) <i>z</i> -test for 1 and 2 proportions
<i>t</i> -test (“Student” <i>t</i> )	normal distrib. inference with unknown $\sigma$	1-sample and 2-sample <sup>#</sup> <i>t</i> -tests <i>t</i> -test for regression parameters <i>t</i> -test for correlation coefficient <i>t</i> -test for (contrasts and) pairwise comparisons
$\chi^2$ -test (chi-square)	inference for counts rank-based tests	2-way table tests for homogeneity and independence Kruskal-Wallis test
<i>F</i> -test	effects in normal distrib. models	linear regression (slope) factorial effects (ANOVA)

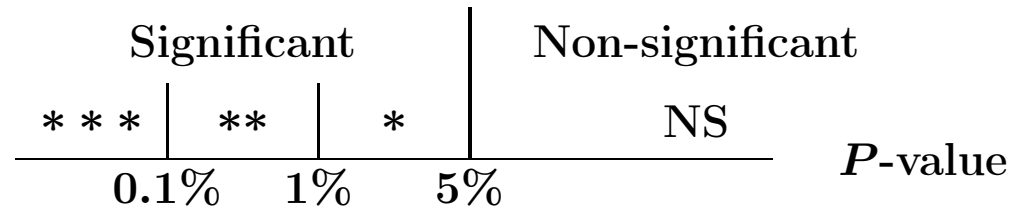
### Relations between tests:

- *t*-test (df) with very large df  $\approx$  *z*-test,
- *z*-test squared  $\sim \chi^2(\text{df}=1)$ -test,
- *t*-test (df) squared  $\sim F(\text{df}_1 = 1, \text{df}_2 = \text{df})$ -test.

<sup>7</sup> The table shows examples from VHM 801 only, many more exist for other statistical models/procedures!

## REVIEW: *P*-VALUES

Statistical significance, as determined from *P*-value<sup>8</sup>:



Interpretation and suggested wording (personal preferences):

- *P*-values above 0.05 are usually denoted **non-significant** and interpreted as indicating that the result (observed value of the test statistic) could have occurred by coincidence if  $H_0$  is true, so **that  $H_0$  cannot be rejected**,
- *P*-values just around 0.05 (no matter if just above or below) are **close to significant**, and give **indication** that  $H_0$  may not be true,
- formally, a *P*-value below 0.05 is **evidence against  $H_0$** ,
- *P*-values at 0.01 or below are **clearly significant** and give clear indication that  $H_0$  is false, so that  **$H_0$  should probably be rejected**,
- *P*-values at 0.001 or below are **strongly significant** and show that the data are incompatible with  $H_0$ , so that  **$H_0$  should be rejected**, unless other explanations exist.

<sup>8</sup> **Warning !** — do not confuse *P*-values and values for *p*'s:

- *P*-values are values (certain probabilities) computed to interpret test results,
- *p*'s are (probability) parameters in particular models, e.g.  $B(n, p)$ .

## REVIEW: ANOTHER LOOK AT $t$ AND $t^*$

From a (hypothetical) confused individual: **what are all those different  $t$ 's:**

$t^*$ ,  $t(\text{df})$ ,  $t_{1-\alpha}(\text{df})$ ,  $t_{\text{obs}}$ ,  $t$ ,  $\dots$

For **confidence intervals**, e.g. with **confidence level 95%** ( $1-\alpha$ ) and **error level 5%** ( $\alpha$ ), we need in the 1-sample formula:

$$\mu : \bar{X} \pm t^* s / \sqrt{n}, \quad t^* = t_{1-\alpha/2}(\text{df}),$$

a number,  $t^* = t_{1-\alpha/2}(\text{df})$ , from a  $t$  distribution with df degrees of freedom:

- determines the middle 95% of the  $t$  distrib., between 2.5% and 97.5% ( $\alpha/2$  and  $1-\alpha/2$ ),
- equals the 97.5% percentile in the  $t$  distribution,
- can be found in a statistical table (under conf. level 95% or tail area probability 2.5%),
- **Minitab**: Probability Distribution Plot with Right Tail Probability = 0.025.

For a **test** of  $H_0: \mu = \mu_0$  (where  $\mu_0$  is a known value), we compute the observed value of our  $t$ -statistic from the 1-sample formula:

$$t_{\text{obs}} = (\bar{X} - \mu_0) / (s / \sqrt{n}),$$

and the  $P$ -value is calculated **from**  $P(t(\text{df}) > |t_{\text{obs}}|)$ ,<sup>9</sup>

- it is a tail area probability, and can be evaluated as  $<$  or  $>$  specific probabilities in a table, based on the table values below or above  $|t_{\text{obs}}|$ ,
- **Minitab**: Probability Distribution Plot with Right Tail X Value =  $|t_{\text{obs}}|$ .

<sup>9</sup> Generally,  $t(\text{df})$  refers to the  $t$  distribution with df degrees of freedom, sometimes just  $t$  when the df are understood.

## REVIEW: DEGREES OF FREEDOM

What are those “degrees of freedom” (DF or df) really?

- values to **distinguish between different distributions** of the same type (distribution types:  $t$ ,  $\chi^2$ ,  $F$ ),
- always positive integer numbers:  $1, 2, 3, \dots$ ,
- **in normal models**, a large DF for the estimate of  $\sigma$  corresponds to good precision (many observations),

- part of ANOVA tables (e.g., use DFE for  $t^*$ ),
- **specific formulas** exist for standard situations.<sup>10</sup>

Model	Data	Purpose	DF
single sample	$X_1, \dots, X_n$	conf. int. $t$ -test	$n - 1$
two samples (same $\sigma$ )	$X_1, \dots, X_{n_1}$ $Y_1, \dots, Y_{n_2}$	conf. int. $t$ -test	$n_1 + n_2 - 2$
1-way ANOVA	$X_{ij}, i = 1, \dots, I$ $j = 1, \dots, n_i$	conf. int. $t/F$ -test	error: $\sum_i n_i - I$ groups: $I - 1$
2-way ANOVA	$X_{ijk}, i = 1, \dots, I$ $j = 1, \dots, J$ $k = 1, \dots, n_{ij}$	conf. int. $t/F$ -test	error: $\sum_{ij} n_{ij} - IJ$ groups: $I - 1$ & $J - 1$ interac: $(I - 1)(J - 1)$
simple linear regression	$(Y_i, x_i)$ $i = 1, \dots, n$	conf. int. $t$ -test	$n - 2$
2-way table	$N_{ij}, i = 1, \dots, I$ $j = 1, \dots, J$	chi-square test	$(I - 1)(J - 1)$

<sup>10</sup> (technical) All DFs can be interpreted as the **difference in number of (free) parameters between two models**: a comprehensive model and a reduced model.

## REVIEW: GENERAL PRINCIPLES OF TESTS AND CIs

- **Data**  $X_1, \dots, X_n$ ,
- **Statistical model** containing a parameter  $\mu$ , typically a mean parameter.
- **Estimate**  $\hat{\mu}$  for  $\mu$ , based on  $X_1, \dots, X_n$ .
- **Standard error**  $\text{SE}(\hat{\mu})$ , either
  - \* estimated from the data, or
  - \* known value (rarely realistic in practice),

**note:** in normal models (with error standard deviation  $\sigma$ ) we often have

$$\text{Var}(\hat{\mu}) = A \sigma^2 \quad \text{and} \quad \text{SE}(\hat{\mu}) = \sqrt{A} \sigma,$$

where  $A$  is a constant determined by the form of  $\hat{\mu}$ ,

- **Reference distribution** of  $\frac{\hat{\mu} - \mu}{\text{SE}(\hat{\mu})} \sim$  percentiles  $t_p$ ; **note:** in normal models with estimated  $\text{SE}(\hat{\mu})$  the reference distribution is usually a  $t$ -distribution,
- **Confidence interval**  $(1 - \alpha)$  for  $\mu$ :  $\hat{\mu} \pm t^* \text{SE}(\hat{\mu})$ ,  $(t^* = t_{1-\alpha/2})$
- **Test** of  $H_0: \mu = \mu_0$  against  $H_a: \mu \neq \mu_0$ ,

$$\text{test statistic: } t = \frac{\hat{\mu} - \mu_0}{\text{SE}(\hat{\mu})}, \quad P\text{-value: } P = 2 \times P(t \geq |t_{\text{obs}}|),$$

where  $t \sim$  the reference distribution.

## APPENDIX: LIST OF REVIEW SLIDES FOR COURSE

**Selected slides** on statistical analysis across all sessions (Summary notes may also be useful):

- completely randomized design and block design (2L–9/10),
- binomial setting (4L–10),
- one- or two-sided (5L–18),
- testing by confidence interval (5L–19),
- how to find  $P$ -values and percentiles (6L–7),
- inference for non-normal data (6L–9),
- inference for proportions — overview/single/two (7L–2/3/4/6),
- nonparametric (distribution-free) methods (7L–8/11),
- sign test (7L–9),
- two-way tables: models, estimation and hypotheses (8L–8/9),
- after the ANOVA table: LSD & Bonferroni (9L–13/14),
- use of residuals for model check (10L–11/12; 11L–19),
- correlation vs. regression (10L–15),
- multiple regression model and analysis (11L–14/15),
- overview 1-way & 2-way ANOVA (11L–20),
- statistical testing issues (12L–3),
- sample size based on estimation accuracy/power (12L–10/13).