14-2

3. Given are five observations collected in a regression study on two variables.

- a. Develop a scatter diagram for these data.
- b. Develop the estimated regression equation for these data.
- c. Use the estimated regression equation to predict the value of y when x = 6.

7. **Sales Experience and Performance.** A sales manager collected the following data on annual sales for new customer accounts and the number of years of experience for a sample of 10 salespersons.

Salesperson	Years of Experience	Annual Sales (\$1000s)
1	1	80
2	3	97
3	4	92
4	4	102
5	6	103
6	8	111
7	10	119
8	10	123
9	11	117
10	13	136

- a. Develop a scatter diagram for these data with years of experience as the independent variable.
- b. Develop an estimated regression equation that can be used to predict annual sales given the years of experience.
- c. Use the estimated regression equation to predict annual sales for a salesperson with 9 years of experience.

17. The data from exercise 3 follow.

The estimated regression equation for these data is $\hat{y} = 7.6 + .9x$. What percentage of the total sum of squares can be accounted for by the estimated regression equation? What is the value of the sample correlation coefficient?

19. Sales Experience and Sales Performance. In exercise 7 a sales manager collected the following data on x = annual sales and y = years of experience. The estimated regression equation for these data is $\hat{y} = 80 + 4x$.

Salesperson	Years of Experience	Annual Sales (\$1000s)	
1	1	80	
2	3	97	
3	4	92	
4	4	102	
5	6	103	
6	8	111	
7	10	119	
8	10	123	
9	11	117	
10	13	136	

- a. Compute SST, SSR, and SSE.
- b. Compute the coefficient of determination r^2 . Comment on the goodness of fit.
- c. What is the value of the sample correlation coefficient?

14-5

25. The data from exercise 3 follow.

- a. What is the value of the standard error of the estimate?
- b. Test for a significant relationship by using the t test. Use $\alpha = .05$.
- c. Use the F test to test for a significant relationship. Use $\alpha = .05$. What is your conclusion?