Semester 4

DEPARTMENT OF STATISTICS

B. Sc. (H) Statistics

Category I

DISCIPLINE SPECIFIC CORE COURSE-10: SAMPLING DISTRIBUTIONS

CREDIT DISTRIBUTION, ELIGIBILITY, AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the Course			Eligibility Criteria	Pre-requisite of the Course (if any)
		Lecture	Tutorial	Practical/ Practice		
Sampling Distributions	4	3	0	1	Class XII with Mathematics	Basic knowledge of probability and probability distributions

Learning Objectives:

The learning objectives of this course are as follows:

- To introduce the modes of convergence and their relation to limit laws, with a focus on the central limit theorem.
- To introduce the concept of sampling distributions and their applications in statistical inference.
- To describe the statistical ideas behind the procedure of hypothesis testing.
- To explain the assumptions and conditions under which to apply different tests of hypothesis about population parameters and draw appropriate conclusions from the analysis.

Learning Outcomes:

After successful completion of this course, students will be able to:

- Understand the basics of convergence theory and its importance in limit laws.
- Apply the concept of the central limit theorem and the relevance of the theorem in inferential statistics.
- Analyze data by using suitable hypothesis testing procedures in real-life applications related to large and small samples.
- Apply the knowledge of the idea of sampling distributions and appreciate their importance in the field of statistics.
- Integrate the knowledge of various sampling distributions like chi-square, t, and F distributions in hypothesis testing problems.

SYLLABUS OF DSC-10

Theory

UNIT I **(10 Hours)**

Modes of Convergence and Central Limit Theorem

Convergence in probability, convergence with probability one, convergence in the mean square, convergence in distribution – definitions and relations between the various modes.

Chebyshev's inequality, Weak Law of Large Numbers (WLLN), and Strong Law of Large Numbers (SLLN) along with examples and applications.

Basic idea and relevance of Central Limit Theorem (CLT), De-Moivre Laplace theorem, Lindeberg Levy theorem, Liapunov Theorem (only statement), and applications of CLT.

UNIT II **(4 Hours)**

Order Statistics

Basic concept and discussion on the area of applications, probability distribution and cumulative distribution function of a single order statistic, joint probability distribution of two and the general case of all order statistics, distribution of range, and distribution of sample median.

UNIT III **(9 Hours)**

Sampling Distributions and Test of Hypotheses

Concepts of parameter, statistic, sampling distribution of a statistic, standard error. Sampling distribution of sample mean, standard errors of the sample mean, sample variance, and sample proportion.

Null and alternative hypotheses, level of significance, Type I and Type II errors, their probabilities and critical region, determination of sample size, confidence intervals, and p-value.

Tests of significance and confidence intervals for - single proportion, difference of two proportions, single mean, difference of two means, and difference of two standard deviations.

UNIT IV **(10 Hours)**

Exact Sampling Distribution

Chi-Square distribution: Definition and derivation of the probability distribution of Chi-square distribution with n degrees of freedom, nature of the curve for different degrees of freedom, mean, mode, variance, moment generating function, cumulant generating function, additive property, and limiting form of the Chi-square distribution, Applications of Chi-Square distribution.

UNIT V **(12 Hours)**

Exact Sampling Distributions (continued)

Student's t-statistic and Fishers t-statistic: definition and derivation of their sampling distributions, nature and characteristics of graph of t distribution, moments, limiting form and applications of the t distribution.

F-statistic: Definition and derivation of the sampling distribution, the graph of F distribution, moments, and applications of the F distribution. Relationship between t, F, and Chi-square distributions.

PRACTICAL / LAB WORK – 30 Hours

List of Practicals:

1. Large Sample Tests:
   a) Testing of significance and confidence intervals for single proportion and difference of two proportions.
   b) Testing of significance and confidence intervals for single mean and difference of two means.
   c) Testing of significance and confidence intervals for the difference of two standard deviations.
2. Tests based on Chi-Square Distribution:
   a) Testing of significance and confidence intervals for the population variance has a specific value.
   b) Testing for the goodness of fit.
   c) Testing of significance for the independence of attributes.
   d) Testing based on a 2 x 2 contingency table without and with Yates' corrections.
3. Tests based on t- Distribution and F- Distribution:
   a) Testing of significance and confidence intervals for single mean and difference of two means and paired t-test.
   b) Testing of significance and confidence intervals of an observed sample correlation coefficient.
   c) Testing and confidence intervals of equality of two population variances.

Practical work to be conducted using electronic spreadsheet / EXCEL/ Statistical Software Package/ SPSS/ calculators.

ESSENTIAL READINGS

- Gupta, S. C. and Kapoor, V. K. (2020). Fundamentals of Mathematical Statistics, Twelfth Edition, S. Chand and Sons. Delhi.
- Goon, A.M., Gupta, M.K. and Dasgupta, B. (2016). An Outline of Statistical Theory, Volume I, The World Press, Kolkata.
- Mukhopadhyay, P. (2016). Mathematical Statistics, Books and Allied, India.
- Hogg, R.V., Tanis, E.A. and Rao, J.M. (2009). Probability and Statistical Inference, Seventh Edition, Pearson Education, New Delhi.
- Miller, I. and Miller, M. (2006). John E. Freund's Mathematical Statistics with Applications, Eight Edition, Pearson Education, Asia.
- Johnson, R.A. and Bhattacharya, G.K. (2001). Statistics-Principles and Methods, Fourth Edition, John Wiley and Sons.

SUGGESTED READINGS

- Bhat, B.R. (2016). Modern Probability Theory- An Introductory Textbook, Fourth Edition, New Age International Publishers.
- Rohatgi, V. K and Saleh M. E. (2015). An Introduction to Probability and Statistics, Third Edition, John Wiley and Sons, Inc., New Jersey.
- Mood, A.M. Graybill, F.A. and Boes, D.C. (2007). Introduction to the Theory of Statistics, Third Edition, (Reprint), Tata McGraw-Hill Pub. Co. Ltd.

Note: Examination scheme and mode shall be as prescribed by the Examination Branch University of Delhi, from time to time.

DISCIPLINE SPECIFIC CORE COURSE-11: TOTAL QUALITY MANAGEMENT

CREDIT DISTRIBUTION, ELIGIBILITY, AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the Course			Eligibility Criteria	Pre-requisite of the Course (if any)
		Lecture	Tutorial	Practical/ Practice		
Total Quality Management	4	3	0	1	Class XII with Mathematics	Introductory statistics and familiarity probability distributions

Learning Objectives:

The learning objectives of this course are as follows:

- To introduce statistical and management techniques,
- To explain the approach of Quality control being used in industry to manufacture goods and services of high quality at low cost.
- To introduce Six-sigma, TQM which is in high demand in the market both in the manufacturing as well as the service sector

Learning Outcomes:

After completing this course, students will be able to:

- Understand the concept of quality, its historical background, and ISO standards.
- Apply the statistical process control tools and product control tools.
- Understand the idea of Six sigma- Lean manufacturing, TQM
- Comprehend the Six sigma training plans, Voice of customers (VOC), Critical to Quality (CTQ)
- Analyze the data to find the root cause of defects through DMAIC (Define-Measure-Analyze-Improve-Control).

SYLLABUS OF DSC-11

Theory

UNIT I **(9 Hours)**

Basics of Quality Management

Quality: Definition, dimensions of quality, its concept, application, and importance. Brief historical perspective of quality control and improvements, Quality Gurus, and Quality Hall of Fame. Quality system and standards: Introduction to ISO quality standards, Quality registration.

Introduction to Process and Product Control, Statistical Process Control - Seven tools of SPC, Chance and Assignable causes of quality variation.

UNIT II **(12 Hours)**

Statistical Control Charts

Statistical Control Charts- Construction and Statistical basis of 3-σ Control charts,. Control charts for variables: X-bar & R-chart, X-bar & s-chart. Rational Sub-grouping, Revised and Modified Control Limits. Control charts for attributes: np-chart, p-chart, c-chart and u-chart. Comparison between control charts for variables and control charts for attributes. Analysis of patterns on a control chart, estimation of process capability.

UNIT III **(12 Hours)**

Sampling Plans

Acceptance sampling plan: Principle of acceptance sampling plans. Single and Double sampling plans, their Operating Characteristic (OC), Acceptance Quality Level (AQL), Lot Tolerance Percent Defective (LTPD), Average Outgoing Quality (AOQ), Average Outgoing Quality Limit (AOQL), Average Sample Number (ASN), and Average Total Inspection (ATI) functions with graphical interpretation, use, and interpretation of Dodge and Romig's sampling inspection plan tables.

UNIT IV **(12 Hours)**

Six-Sigma

Overview of Six Sigma, Lean Manufacturing, and Total Quality Management (TQM). Organizational Structure and Six Sigma training plans- Selection Criteria for Six Sigma roles and training plans. Voice of customers (VOC): Importance and VOC data collection. Critical to Quality (CTQ), Introduction to DMAIC (Define-Measure-Analyze-Improve-Control).

PRACTICAL / LAB WORK – 30 Hours

List of Practical:

1. Construction and interpretation of statistical control charts for
   a) $\bar{X}$ and R-chart for known parameters.
   b) $\bar{X}$ and R-chart with revised control limits for unknown parameters.
   c) $\bar{X}$ and s-chart
   d) np-chart
   e) p-chart with fixed sample size
   f) p-chart with variable sample size.
   g) c-chart
   h) u-chart
2. Construction and interpretation of OC, AQL, LTPD, ASN, ATI, AOQ, and AOQL curves under a Single sample inspection plan
3. Construction and interpretation of OC, AQL, LTPD, ASN, ATI, AOQ, and AOQL curves under a Single sample inspection plan for varying acceptance numbers.
4. Calculation of process capability and comparison of 3-sigma control limits with specification limits.

5. Plan a single sampling plan using Dodge and Romig sampling inspection tables.

Practical work to be conducted using electronic spreadsheet / EXCEL/ Statistical Software Package/ SPSS/ calculators.

ESSENTIAL READINGS:

- Goon A M, Gupta M K and Dasgupta B (2018): Fundamentals of Statistics, Volume I & II, 9th Edition and 4th reprint.
- Montogomery, D. C. (2009): Introduction to Statistical Quality Control, 6th Edition, Wiley India Pvt. Ltd.
- Ehrlich, B. Harris (2002): Transactional Six Sigma and Lean Servicing, 2nd Edition, St. Lucie Press.

SUGGESTED READING:

- Gupta S.C., Kapoor V.K.(2007): Fundamentals of Applied Statistics. 4th Edition, Sultan Chand and Sons., New Delhi.
- Hoyle, David (1995): ISO Quality Systems Handbook, 2nd Edition, Butterworth Heinemann Publication.

Note: Examination scheme and mode shall be as prescribed by the Examination Branch University of Delhi, from time to time.

DISCIPLINE SPECIFIC CORE COURSE-12: TIME SERIES ANALYSIS

CREDIT DISTRIBUTION, ELIGIBILITY, AND PRE-REQUISITES OF THE COURSE

Course title & Code	Credits	Credit distribution of the Course			Eligibility Criteria	Pre-requisite of the Course (if any)
		Lecture	Tutorial	Practical / Practice		
Time Series Analysis	4	3	0	1	Class XII with Mathematics	Introductory probability theory and statistics, Calculus, and matrix algebra

Learning Objectives:

The learning objectives of this course are as follows:

- To introduce basic time series analysis, trend, and seasonality,
- To understand spectral analysis,
- To familiarise students with stationary processes,
- To understand various time series models,

- To use nonstationary and seasonal time series models,
- To introduce forecasting techniques and forecasting methods.

Learning Outcomes:

After successful completion of this course, students will be able to:

- Understand the important time series models and their applications in various fields.
- Formulate real-life problems using time series models.
- Use statistical software to estimate the models from real data, and draw conclusions and develop solutions from the estimated models.
- Use visual and numerical diagnostics to assess the soundness of their models.
- Communicate the statistical analyses of substantial data sets through explanatory text, tables, and graphs.
- Combine and adapt different statistical models to analyze larger and more complex data.
- Possess skills to understand the components and forecast values of a time series at future time points.

SYLLABUS OF DSC-12

Theory

UNIT I **(6 Hours)**

Time Series Data and its Components

Introduction to times series data and its applications; Components of a time series and its decomposition; Estimation of trend and the seasonal component.

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UNIT II **(9 Hours)**

Spectral Analysis and Stationarity

Simple sinusoidal model; Periodogram, and Harmonic Analysis; Variate-difference method; Time series, and Stochastic process; Stationarity; Autocorrelation; meaning, definition, causes, the consequence, and test for autocorrelation.

UNIT III **(15 Hours)**

Time Series Models

Stochastic Models: White noise Process, Random walk, Moving Average (MA), Auto-Regressive (AR), Auto-Regressive Moving Average (ARMA) models, and their properties using correlogram, ACF, and PACF, Yule walker equations; Fitting of AR(1), AR(2), MA(1), MA(2), and ARMA(1,1) processes. Non-Stationary models: Auto-Regressive Integrated Moving Average (ARIMA) and Seasonal Auto-Regressive Integrated Moving Average (SARIMA) models; Dicky Fuller test, Augmented Dickey-Fuller test. Wold's Decomposition Theorem; Non-linear time series models: Auto-Regressive Conditional Heteroskedasticity (ARCH) and Generalized Auto-Regressive Conditional Heteroskedasticity (GARCH) Process.

UNIT IV **(12 Hours)**

Univariate Forecasting Procedures

Principles of Forecasting; Performance Evaluation; Extrapolation of Trend Curves; Exponential smoothing; Holt-Winter's; Box- Jenkins' Methodology.

PRACTICAL / LAB WORK – 30 hours

List of Practicals:

1. Fitting and plotting of modified exponential curves by different methods.
2. Fitting and plotting of Gompertz curve by different methods.
3. Fitting and plotting of logistic curves by different methods.
4. Fitting of the trend by the Moving Average Method for a given extent and for an estimated extent.
5. Measurement of Seasonal indices: a) Fixed and b) Changing Patterns
6. Construction of Periodogram and Harmonic Analysis
7. Estimation of variance of the random component
8. Construction of Correlogram for given AR(1), AR(2), MA(1), MA(2), and ARMA(1,1) processes.
9. Fitting of AR(1), AR(2), MA(1), MA(2), and ARMA(1,1) processes for given datasets.
10. Forecasting by various exponential smoothing procedures.
11. Forecasting by Box-Jenkins methodology.

Practical work to be conducted using electronic spreadsheet / EXCEL/ Statistical Software Package/ SPSS/ calculators.

ESSENTIAL READINGS:

- Goon A M, Gupta M K and Dasgupta B (2018): Fundamentals of Statistics, Volume II, 9th Edition and 4th reprint.
- Galit Shmueli and Kenneth C. Lichtendahl Jr (2016): Practical Time Series Forecasting with R: A Hands-On Guide, 2nd Edition, Axelrod Schnall Publishers
- James D. Hamilton (2012): Time Series Analysis, 1st Indian Edition, Princeton University Press, Levant Books Kolkata.
- Chatfield, C. (1996): The Analysis of Time Series, 5th Edition, Chapman and Hall, New York.

SUGGESTED READING:

- Shumway and Stoffer (2011): Time Series Analysis and its applications, with examples in R, 3rd Edition, Springer.
- Brockwell, Peter J., and Davis, Richard A. (2002). Introduction to Time Series and Forecasting, 2nd edition. Springer-Verlag, New York.
- Montgomery D. C. and Johnson, L A. and (1967): Introduction to Time Series Analysis And Forecasting, 2nd ed. McGraw-Hill, New York.
- Kendall M.G. (1976): Time Series, Charles Griffin.

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