



MACHAKOS UNIVERSITY

University Examinations 2018/2019

SCHOOL OF PURE AND APPLIED SCIENCES

DEPARTMENT OF MATHEMATICS, STATISTICS AND ACTUARIAL SCIENCE

FIRST YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF SCIENCE (STATISTICS AND PROGRAMMING)

BACHELOR OF SCIENCE (ACTUARIAL SCIENCE)

SST 100: INTRODUCTION TO BUSINESS AND SOCIAL STATISTICS

DATE: 2/5/2019

TIME: 8:30 – 10:30 AM

Instructions to the Candidate:

1. Answer Question 1 and any other **two** questions;
 2. You must have a Scientific calculator for this paper.
 3. Solution to each question must start on a new page.
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1. a) i) Outline *four* areas of application of index numbers in economic statistics. (4 marks)
ii) Outline *four* examples of time series as applied in social data. (2 marks)
iii) State *four* socio-economic indicators for improvement in standard of living in a country. (4 marks)
 - b) Explain *three* possible ways in which a *time series graph* would be a useful tool to the management of an organisation in performing its function of monitoring and control.(6 marks)
 - c) The data presented in the table below shows the wage in Ksh '000' for employees of a certain parastatal over a six year period.

Year	2010	2011	2012	2013	2014	2015
Monthly Wage	28	32	33	35	37	40
Consumer Price Index	102	103	105	108	114	117

Compute the real monthly wage index for each year for the employees taking year 2010 as the base. (8 marks)

- d) The data below shows the basic commodities used in households, their retail prices and the respective standard quantities (weights) over a six-year period, 2010 and 2015.

Commodity	Standard quantity W	Price in Ksh	
		2010 P_o	2015 P_n
Bread	600	35	65
Sugar	2,000	80	375
Milk	500	18	45
Flour	1,000	45	115

Calculate the following:

- i) weighted average of price relatives.
 - ii) weighted aggregate price index. (6 marks)
- 2.
- a) Define the term *time series* as used in statistics. (2 marks)
 - b) Explain any three possible ways in which social statistical data can be misused. (6 marks)
 - c) Describe the *four* components of a time series as applied in statistics. (12 marks)
- 3.
- a) Outline *four* possible sources of official social statistical data. (8 marks)
 - b) Differentiate between the terms *fixed base* and *chain base* relatives as used in index numbers. (4 marks)
 - c) The data below shows the price charged by an electrical shop for four categories of electric cables and their corresponding standard length in metres for the years 2007 and 2012.

Cable Type	2007		2012	
	Price per metre	Std length	Price per metre	Std length
Type X 1.5 mm	30	30	80	50
Type Y 1.5 mm	35	40	95	75
Type X 2.5 mm	50	30	120	30
Type X 2.5 mm	54	40	140	75

Calculate the following taking the year 2007 as the base:

- i) Laspeyre's price index;
- ii) Paasche's price index. (12 marks)

4. The consumption of electric power in megawatt hours according to a power distribution company during a period of three consecutive years is as shown in the table below.

Year	Power in megawatt hours			
	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2009	30	60	78	40
2010	37	64	85	44
2011	40	70	94	49

- Determine the *least squares trend* for the quarterly consumption of electricity. (8 marks)
 - Using the *additive* model, determine the seasonal variation values for consumption of electricity. (8 marks)
 - Forecast the quarterly consumption of electricity for the year 2012. (4 marks)
5. A Matatu Sacco has the data for its daily revenue in Kenya shillings for a period of three consecutive weeks as shown in the table below.

Week / Day	Revenue in Ksh '000'				
	Monday	Tuesday	Wednesday	Thursday	Friday
Week 1	10	22	32	24	12
Week 2	14	28	39	30	15
Week 3	19	35	47	37	21

- Determine the moving average trend for the time series data. (8 marks)
- Using the multiplicative model, determine the seasonal variation values for the time series data. (8 marks)
- Forecast the daily sales for the matatu sacco for week 4. (4 marks)