220557 - Applied Statistics

Coordinating unit: 205 - ESEIAAT - Terrassa School of Industrial, Aerospace and Audiovisual Engineering
Teaching unit: 715 - EIO - Department of Statistics and Operations Research
Academic year: 2018
Degree: MASTER'S DEGREE IN MANAGEMENT ENGINEERING (Syllabus 2012). (Teaching unit Compulsory)
ECTS credits: 5

Teaching staff
Coordinator: Maria Albareda Sambola
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Eulàlia Gríful Ponsati
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Degree competences to which the subject contributes

Specific:
1. Acquire concepts and techniques related to descriptive and statistical inference.

General:
2. Ability to apply knowledge to solve problems in new environments or unfamiliar environments within broader contexts (or multidisciplinary) related to engineering.
3. Self-learning capacity to independent continuous training.
4. Ability to effectively communicate their findings, knowledge and concluding reasons to skilled and unskilled audiences, clearly and unambiguously.
5. Ability to integrate knowledge and formulate judgments with the aim of making decisions based on information that, with incomplete or limited include reflecting on social and ethical responsibilities linked to the application of their knowledge and judgments.
6. Ability to understand the impact of engineering solutions in a global and social context.
7. Ability to operate and lead multidisciplinary and multicultural groups, with negotiation skills, group work, relationships in an international setting, and conflict resolution.
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Teaching methodology

Three teaching modes are combined in this course:

Theory classes: Lectures in large groups to present the course contents.
Practical classes: Tutorials in medium size groups to discuss, debate and comment practical exercises and problems.
Independent learning: Self study and personal work in exercises and other activities.

In the lecturing sessions, teachers will introduce the theoretical basis of the concepts, methods and results and illustrate them with appropriate examples to facilitate their understanding.

In the practical classes, teachers will guide students in applying these theoretical concepts to solve problems, always encouraging a critical reasoning. Exercises will be proposed for the students to solve both, in the classroom and outside, to promote the use the basic tools needed to solve problems and put the students in contact with them.

Students, independently, need to work on the materials provided by teachers and the outcomes of the sessions of exercises/problems, in order to fix and assimilate the concepts.

The teachers will provide the syllabus (through the platform ATENEA).

Observation: This course might be taught in Spanish, if needed.

Learning objectives of the subject

Applied Statistics, located in the first year of Master in Management, provides a range of advanced statistical tools that have been developed within the area of statistics in response to industrial and managerial problems.

Its contents are mainly quantitative and provide statistical tools that can support decision making based on collected data. In particular, forecasting techniques for time series are studied, as well as some multivariate analysis methods.

Study load

<table>
<thead>
<tr>
<th>Total learning time: 125h</th>
<th>Hours large group: 8h</th>
<th>6.40%</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Hours medium group:</td>
<td>15h</td>
</tr>
<tr>
<td></td>
<td>Guided activities:</td>
<td>22h</td>
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<tr>
<td></td>
<td>Self study:</td>
<td>80h</td>
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</tbody>
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## Content

### Module 1: Multivariate Analysis. Introduction

**Learning time:** 8h 30m  
- Theory classes: 1h 20m  
- Practical classes: 0h  
- Guided activities: 2h 10m  
- Self study: 5h

**Description:**
Multivariable Statistics is a wide knowledge area specialized in treating multidimensional observations. Thus, it is applicable to populations made by individuals on which two or more variables are measured simultaneously. By its nature, its study requires certain skills on matrix algebra and some concepts of basic statistics such as mathematical expectation, variance and standard deviation, their sample estimators and their extension to the notion of mathematical expectations vector and variance-covariance and correlation matrices. All these concepts will be refreshed in this introduction.

**Specific objectives:**
Review concepts that will be necessary for following the course adequately.

### Module 2: Multivariate Analysis. Principal Component Analysis

**Learning time:** 35h 20m  
- Theory classes: 2h  
- Practical classes: 6h 10m  
- Guided activities: 5h 10m  
- Self study: 22h

**Description:**
Principal components give a way to tackle situations where different variables that have been measured on a large group of individuals need to be analyzed. Specially when the size of the database makes its interpretation difficult and inefficient and correlations between variables reduce the efficacy of other study methods.

Graphical representation of individuals and variables in the principal components space allows to visualize relationships between variables, similarities among individuals and mutual associations. Principal components are nothing but a projection of the customers to a lower dimension subspace that minimizes the total information lost.

**Specific objectives:**
Give the student the hability to reduce the volume of data of quantitative data collected on a large sample, with the minimal information loss possible.
## Module 3: Multivariate Analysis. Correspondence Analysis

**Learning time:** 16h 40m  
Theory classes: 1h 30m  
Practical classes: 1h 10m  
Guided activities: 4h  
Self study: 10h

**Description:**  
The goal of correspondence analysis is to study contingency tables that collect data according to two modality sets (province and professional activity, for instance). It gives a geometrical representation, quite precise and simple, on a space of reduced dimension that exhibits associations within each set and among sets.

**Specific objectives:**  
Give the student the capacity to identify possible relationships among the categories used to classify the sample individuals on a contingency table.

## Module 4: Time Series. Introduction

**Learning time:** 4h 50m  
Theory classes: 0h 30m  
Guided activities: 1h 20m  
Self study: 3h

**Description:**  
A time series is a set of observations chronologically sorted, or the evolution of a phenomenon along the time. The objective of this module and the following ones is the analysis of the series to establish a pattern, validate its fit to data and forecast the future evolution.

**Specific objectives:**  
The objective of this specific module is to present the concept of time series and to review some preliminary concepts that are required in the following modules.

## Module 5: Time Series. Classical Decomposition

**Learning time:** 11h 10m  
Theory classes: 0h 40m  
Practical classes: 1h 10m  
Guided activities: 2h 20m  
Self study: 7h

**Description:**  
In this module we study the so-called classical decomposition method, where the series is decomposed into trend, seasonality, cycles and residuals. To model the series and make forecasts, it is necessary to stabilize it removing the seasonality and through the moving averages. Once decided their interaction (additive or multiplicative), a final model is obtained that can be used to make forecasts.

**Specific objectives:**  
Give the student the capability to identify additive and multiplicative series and to model their main components: trend and seasonality.
### Module 6: Time Series. Modelling with categorical variables

**Learning time:** 14h 50m  
Theory classes: 0h 30m  
Practical classes: 2h 40m  
Guided activities: 1h 40m  
Self study : 10h

**Description:**  
The modelization of time series using categorical variables is an extension of the clasical method that allows to model jointly trend and seasonality. Moreover, it does not require to assume a predefined type of interaction between them, since the models used here include all possibilities and it is the method itself that determines what effects are relevant in a given time series. Thanks to this, modelization through categorical variables overcomes the main limitation of clasical decomposition since it allows to model adequately time series with a mixt behavior.

**Specific objectives:**  
Give the students the capability of modeling series with trend and seasonality independently of their interaction.

### Module 7: Time Series. Autocorrelation

**Learning time:** 21h 10m  
Theory classes: 1h  
Practical classes: 3h 10m  
Guided activities: 3h  
Self study : 14h

**Description:**  
This module presents the correlogram, a graphical analysis tool where the autocorrelation function is represented for different lags. It indicates the number of admissible forecasts for a given time series. Additionally, it can give additional information to identify the period of the seasonality.

**Specific objectives:**  
Give the student the capability to elaborate and interpret correlograms.

### Module 8: Time Series. Other forecasting techniques

**Learning time:** 12h 30m  
Theory classes: 0h 30m  
Practical classes: 0h 40m  
Guided activities: 2h 20m  
Self study : 9h

**Description:**  
In this block some methods based on exponential smoothing are presented. These methods allow, for instance, to model series that do not have a stable trend within the data collection time horizon and are also useful when the quantity of information is not too large.

**Specific objectives:**  
The objective of this module is to study alternative tools to model time series without a strong structure given by a trend and a seasonality.
The coursework will be weighted as follows:

- Exam of modules 1-3, weight: 40%
- Exam of modules 4-8, weight: 40%
- Project of module 2, weight: 10%
- Project of modules 6 and 7, weight: 10%

Any student that cannot attend to one of the exams or wants to improve his/her grade will have an opportunity to do it in a final exam. The grade of a final exam will only be used in case it is better than the grade obtained in the corresponding exam during the course.

### Bibliography

#### Basic:


#### Complementary:


#### Others resources: