

Class exercise: 3

Also from the *Prices and Earnings* article used in question 1 is information about the cost of renting apartments in various cities around the world. Rents are based on apartments built after 1980 (3 rooms, kitchen, bathroom, without garage; including incidental expenses) with an average comfort customary in the locality and near the city centre and in the medium price range. The file “Class exercise data.xls” contains data for apartment rents. Look at the Question 3 tab.

- (a) Use **Tools > Data Analysis > Descriptive Statistics** to find descriptive statistics for the apartment rents. Include the Excel output.
- (b) What is the z-score for Hong Kong?
- (c) What city may be considered an outlier?
- (d) Use the histogram tool in Excel to draw a **class frequency distribution** of the apartment rents. Use class intervals of width \$500,000 starting with the started lower limit of the first class of \$0. You may need to amalgamate some of the higher classes. Ensure that you follow the presentation guidelines given in lecture for tables.
- (e) Remove the three highest rents. With the remaining data use the histogram tool in Excel to draw a **histogram** of the apartment rents. Use class intervals of width \$500,000 starting with the started lower limit of the first class of \$0. Ensure that you follow the presentation guidelines given in lectures for figures. Instructions on drawing a histogram appear in Moodle
- (f) What effect does removing the three highest rents have on the shape of the distribution of the apartment rents histogram?