

Fox Module 16 Analysis of variance

- One-way analysis of variance
- Two-way analysis of variance
- Patterns of means in two-way classification

Read Section 8.1, "One-way analysis of variance," on pages 143-148. Know the difference between dummy regressors and deviation regressors. The regression results are the same, but the interpretation of the regression coefficients differs.

- Contrast the tables on pages 143 and 146.
- Know the relation of the regression coefficients and groups means on pages 145-146.

Review the illustration on pages 147-148. The final exam problems compute the F-test from the sum of squares of the groups and residuals, test the degrees of freedom, or ask you to back into one of the figures.

Read Section 8.2, "Two-way analysis of variance," on pages 149-154. Focus on the graphs, and the various ways the two dimensions interact.

The patterns of interaction affect actuarial analyses.

Illustration: Men have higher claim frequencies than women for auto accidents. But men also drive more and they drink more. Figuring out what class dimensions are important is not easy.