

PROBLEMS FOR SECTION 2.3

APPLYING THE CONCEPTS

2.26 An online survey of CFA Institute members was conducted in October 2014. Members were asked to indicate the most needed action to improve investor trust and market integrity. The survey results were as follows:

Most Needed Action	Percentage
Improved regulation and oversight of global systemic risk	28%
Improved transparency of financial reporting and other corporate disclosures	21%
Improved corporate governance practices and improved enforcement of existing laws and regulations	15%
Improved market trading rules on transparency and frequency of trades	14%
Improved auditing practices and standards	15%
Other	7%

2.27 The Edmunds.com NHTSA Complaints Activity Report contains consumer vehicle complaint submissions by automaker, brand, and category (data extracted from edmunds.com). The following tables, stored in `Automaker1` and `Automaker2`, represent complaints received by automaker and complaints received by category for January 2013.

- Construct a Pareto chart.
- What percentage of power is derived from coal, nuclear power, or natural gas?
- Construct a pie chart.
- For these data, do you prefer using a Pareto chart or a pie chart? Why?

Source of Electricity	Percentage
Coal	39%
Hydro and renewables	13%
Natural gas	27%
Nuclear power	19%
Other	2%

Source: Energy Information Administration, 2014.

2.26 The Energy Information Administration reported the following sources of electricity in the United States in 2013:

Automaker	Number
American Honda	169
Chrysler LLC	439
Ford Motor Company	440
General Motors	551
Nissan Motors Corporation	467
Toyota Motor Sales	332
Other	516

2.27 Construct a bar chart and a pie chart for the complaints received by automaker.

Category	Number
Airbags and seatbelts	201
Body and glass	182
Fuel/emission/exhaust system	63
Interior electronics/hardware	240
Powertrain	279
Steering	1,148
Tires and wheels	397
Other	71

- Construct a bar chart and a pie chart for the complaints received by automaker.
- Which graphical method do you think is best for portraying these data?
- Construct a Pareto chart for the categories of complaints.
- Discuss the "vital few" and "trivial many" reasons for the categories of complaints.

2.28 Data extracted from "Cellphone Addiction Is an Increasingly Realistic Possibility," Baylor Study of College Students (Bily/IEY3KB).

Cell Phone Activity	Percentage
Checking Date and Time	2%
Listening to Music	8%
Playing Games	4%
Reading Emails	3%
Reading Social Media	9%
Watching the Internet	18%
Watching Photos	7%
Watching Videos	3%
Texting	6%
Using the Tube	18%
Other	2%
Using Cell Phone	8%

2.29 Data extracted from "Cellphone Addiction Is an Increasingly Realistic Possibility," Baylor Study of College Students (Bily/IEY3KB).

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