

Methods and
Applications of
Statistics in



BUSINESS, FINANCE, and MANAGEMENT SCIENCE

N. Balakrishnan, Editor

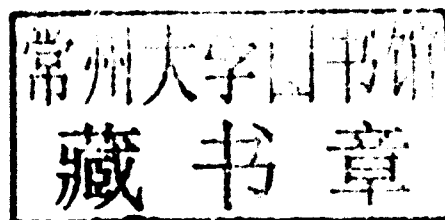
Methods and Applications of Statistics in Business, Finance, and Management Science

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 **WILEY**

A JOHN WILEY & SONS, INC., PUBLICATION

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Published simultaneously in Canada.

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Library of Congress Cataloging-in-Publication Data:

Balakrishnan, N., 1956—
Methods and applications of statistics in business, finance, and management science / N. Balakrishnan.
p. cm.
Includes index.
ISBN 978-0-470-40510-9 (cloth)
1. Commercial statistics. 2. Finance—Statistics. I. Title.
HF1017.B265 2010
519.5—dc22

2010001879

Printed in the United States of America.

10 9 8 7 6 5 4 3 2 1

Methods and Applications of Statistics in Business, Finance, and Management Science

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The *Wiley Series in Methods and Applications of Statistics* is a unique grouping of research that features classic contributions from Wiley's *Encyclopedia of Statistical Sciences, Second Edition (ESS, 2e)* alongside newly written articles that explore various problems of interest and their intrinsic connection to statistics. The goal of this collection is to encompass an encyclopedic scope of coverage within individual books that unify the most important and interesting applications of statistics within a specific field of study. Each book in the series successfully upholds the goals of *ESS, 2e* by combining established literature and newly developed contributions written by leading academics, researchers, and practitioners in a comprehensive and accessible format. The result is a succinct reference that unveils modern, cutting-edge approaches to acquiring, analyzing, and presenting data across diverse subject areas.

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Preface

In this day and age, when businesses and market have become truly global, the operation and management of business and finance (of individuals and/or firms) have become key factors for the success of the firms as well as for the economic stability. Without proper planning and execution with regard to these, it will be hard, if not impossible, for businesses to remain competitive in a global market.

This has necessitated the introduction of new techniques and strategies that are specifically oriented to tackle problems relating to the planning, operation, and management of business and finance. These developments provided the impetus for this volume to consolidate and present various statistical methods, techniques, strategies, and applications, old and new, that are useful in tackling a wide array of problems of interest in business, finance, and management sciences. It is my sincere hope that this would serve as a useful handbook for practitioners involved in business, finance, and management science and also serve as a reference guide for statistical researchers and students.

It is important to mention that the recently revised edition of *Encyclopedia of Statistical Sciences* served as a basis for this handbook. While many pertinent entries from the *Encyclopedia* have been included here, a number of them have also been updated to reflect recent developments on their topics. Several new

articles detailing modern advances on statistical methods in business, finance, and management science have also been included.

A volume of this size and nature cannot be successfully completed without the cooperation and support of the contributing authors, and my sincere thanks and gratitude go to all of them. Thanks are also due to Mr. Steve Quigley and Ms. Jacqueline Palmieri (of John Wiley & Sons, Inc.) for their keen interest in this project from day one, as well as for their support and constant encouragement (and, of course, occasional nudges too) throughout the course of this project. Careful and diligent work of Mrs. Debbie Iscoe and Ms. Emily Iscoe in the typesetting of this volume and of Ms. Kellsee Chu at the production stage is gratefully acknowledged. Partial financial support of the Natural Sciences and Engineering Research Council of Canada also assisted the preparation of this handbook, and this support is much appreciated.

This is the second in a series of handbooks on *methods and applications of statistics*. While the first handbook has focused on life and health sciences and the present handbook has focused on business, finance, and management science, the forthcoming handbooks will cover such diverse disciplines as

Engineering, quality control, and physical sciences,

Behavioral and social sciences, and
Environmental and earth sciences.

It is my sincere hope that this handbook
and other in the series will become a basic
reference resource for those involved in
these fields of research!

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April 2010

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