

Modified Ratio Estimator Using Multiple Auxiliary Variables.

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ABSTRACT

This study developed a modified ratio estimator using one variable of interest, multi-auxiliary variables and the product of Kurtosis and Median of the auxiliary variables. The questionnaire contained detail about workers income and expenditures. Boxplot was used to check for outliers. The biases and mean squared errors (MSE) were computed for both existing and modified ratio estimator. Principal Components Analysis (PCA) was used to determine the linear combination of auxiliary variables that best explain the variable of interest. The scree and bar plots were used to arrange eigenvalues in descending order. The expenditure on food stands as an outlier. The bias and MSE of the existing ratio estimator were 74.39586 and 8,382,470 while that of modified ratio estimator were 30.97307 and 6,128,431 respectively. PCA generated two principal components, which accounted for 76.2% of the total variance. The modified ratio estimator was efficient.

(Keywords: ratio estimator, mean square error, MSE, principal component, auxiliary variable)

INTRODUCTION

In surveys, samples are used instead of population and most of these samples are prepared by statisticians. One of the areas of statistics that is most commonly used in all fields of scientific investigation is that of probabilistic sampling. Surveys used by social scientists are based on complex sampling designs (Lumley, 2004; Winship and Radbill, 1994).

Sampling is not mere substitution of a partial coverage for a total coverage. Sampling is the science and art of controlling and measuring the

reliability of useful statistical information through the theory of probability (Deming, 1950). The simplest and the most common method of sampling is simple random sampling in which a sample is drawn unit by unit, with equal probability of selection for each unit at each draw, where there is no additional information available.

In sample surveys, along with study variable Y , information on auxiliary variable X , which is correlated with Y is also collected. This information on auxiliary variable may be utilized to obtain a more efficient estimator of the population mean. Ratio method of estimation using auxiliary information is an attempt in this direction. The auxiliary information is frequently used to increase precision of the population estimates by taking advantage of the correlation between the study variable and the auxiliary variable. Several authors including Kadilar and Cingi (2004, 2006a, b, c) and Gupta and Shabbir (2008) have proposed different estimators by utilizing information on the auxiliary variable for estimation of population mean.

For ratio estimators in sampling theory, population information of the auxiliary variable, such as Coefficient of variation, Coefficient of Correlation, Coefficient of Skewness, is often used to increase the efficiency of the estimation for a population mean. Murthy (1967), Cochran (1977), Prasad (1989), Sen (1993), Upadhyaya and Singh (1999), Singh and Tailor (2003, 2005), Singh *et al.* (2004), Kadilar and Cingi (2004, 2006), Koyuncu and Kadilar (2009), and Yan and Tian (2010) among others used the population information of the auxiliary variable to increase precision. Though, attempts have been made by Subramani, and Kumarapandiyan, (2012) using the linear combination of known population value of coefficient of Kurtosis and Median of the auxiliary variable, however this study is combining

the interactive effect of the coefficient of Kurtosis and Median of the multiple auxiliary variables to improve the ratio estimators.

The main objective of this study is to modify the existing ratio estimator by Subramani and Kumarapandiyan, (2012), using multiple auxiliary variables to facilitate bias reduction and improve the precision of ratio estimator.

MATERIALS AND METHODS

Basic: Khoshnevisan *et al* (2007) defined their family of estimators as:

$$t = \bar{y} \left[\frac{a\bar{x} + b}{\alpha(a\bar{x} + b) + (1-\alpha)(a\bar{x} + b)} \right]^g$$

Where $\alpha \neq 0$, a and b are either real numbers or a functions of the known parameters of the auxiliary variable x such as standard deviation σ_x , coefficient of variation C_x , Skewness $\beta_{1(x)}$, kurtosis $\beta_{2(x)}$ and correlation coefficient ρ

When $\alpha=1$ $a=1$, $b=0$, $g=0$, we have the usual ratio estimator, $\theta_0 = \bar{y}$ with $MSE \theta_0 = \frac{N-n}{Nn} \bar{Y}^2 C_y^2$

When $\alpha=0$ $a=1$, $b=0$, $g=1$, we have the usual ratio estimator, $\theta_1 = \bar{y} \frac{\bar{x}}{x}$ with $MSE \theta_1 = \frac{N-n}{Nn} \bar{Y}^2 (C_y^2 + C_x^2 - 2\rho C_x C_y)$

When $\alpha=1$ $a=1$, $b=0$, $g=-1$, we have the usual product estimator, $\theta_2 = \bar{y} \frac{x}{\bar{x}}$ with MSE

$$\theta_2 = \frac{N-n}{Nn} \bar{Y}^2 (C_x^2 + C_y^2 + 2\rho C_x C_y)$$

When $\alpha=1$ $a=1$, $b=C_x$, $g=1$, Sisodia and Dwivedi (1981) ratio estimator $\theta_3 = \bar{y} \left(\frac{x+C_x}{\bar{x}+C_x} \right)$ with MSE

$$\theta_3 = \frac{N-n}{Nn} \bar{Y}^2 \left[C_y^2 + \left(\frac{x}{\bar{x}+C_x} \right)^2 C_x^2 - 2 \frac{x}{\bar{x}+C_x} \rho C_x C_y \right]$$

When $\alpha=1$ $a=1$, $b=C_x$, $g=1$, we have Pandey and Dubey [1988] product estimator with

$$\theta_4 = \bar{y} \left(\frac{\bar{x}+C_x}{x+C_x} \right) \text{ with MSE}$$

$$\theta_4 = \frac{N-n}{Nn} \bar{Y}^2 \left[C_y^2 + \left(\frac{x}{x+C_x} \right)^2 C_x^2 + 2 \frac{x}{x+C_x} \rho C_x C_y \right]$$

When $\alpha=1$ $a=1$, $b=\rho$, $g=1$, we have Singh, Taylor [2003] ratio estimator as:

$$\theta_5 = \bar{y} \left(\frac{x+\rho}{\bar{x}+\rho} \right) \text{ with MSE}$$

$$\theta_5 = \frac{N-n}{Nn} \bar{Y}^2 \left[C_x^2 + \left(\frac{x}{\bar{x}+\rho} \right)^2 C_x^2 - 2 \frac{x}{\bar{x}+\rho} \rho C_x C_y \right]$$

When $\alpha=1$ $a=-1$, $b=\rho$, $g=1$, we have Singh, Taylor [2003] product estimator $\theta_6 = \bar{y} \left(\frac{x+\rho}{\bar{x}+\rho} \right)$ with MSE

$$\theta_6 = \frac{N-n}{Nn} \bar{Y}^2 \left[C_y^2 + \left(\frac{x}{\bar{x}+\rho} \right)^2 C_x^2 + 2 \frac{x}{\bar{x}+\rho} \rho C_x C_y \right]$$

When $\alpha=1$, $a=\beta_2$, $b=M_d$, $g=1$, we have Subramani, J. and Kumarapandiyan, G. (2012) ratio estimator. $\theta_7 = \left[\frac{\bar{y}(\bar{x}\beta_2 + Md)}{x\beta_2 + Md} \right]$ with MSE

$$\theta_7 = \frac{N-n}{Nn} \bar{Y}^2 \left[C_y^2 + \left(\frac{x\beta_2}{x\beta_2 + Md} \right)^2 C_x^2 - 2\theta_3 C_y C_x \rho \right]$$

Notations used are:

N - Population Size

n - Sample Size

$f = n/N$ Sampling Fraction

Y - Variable of Interest

X - Auxiliary Variable

$\bar{X}, \bar{Y}$ - Population Means

$\bar{x}, \bar{y}$ - Sample Means

S_x, S_y - Population Standard Deviations

C_x, C_y - Co-Efficient of Variations

ρ - Co-Efficient of Correlation

$\beta_1 = \frac{N \sum_{i=1}^N (X_i - \bar{X})^3}{(N-1)(N-2)S^3}$ Co-Efficient of Skewness of the Auxiliary Variable

$\beta_2 = \frac{N(N+1) \sum_{i=1}^N (X_i - \bar{X})^4}{(N-1)(N-2)(N-3)S^4} - \frac{3(N-1)^2}{(N-2)(N-3)}$ Co-Efficient of Kurtosis of the Auxiliary Variable

Md - Median of the Auxiliary Variable

The new ratio estimator will be derived from the family estimator explained above. Where $\alpha = 1$, $a = \beta_2$, $g = 1$, and $b = \beta_2 Md$. We have:

$$\text{Estimator } (\hat{\bar{Y}}) = \left[\frac{y(\bar{X}\beta_2 + \beta_2 Md)}{\bar{x}\beta_2 + \beta_2 Md} \right]$$

Multiple auxiliary variables with one variable of interest were used and the new estimator new estimator becomes:

$$\left[\frac{y \left(\begin{pmatrix} \bar{X}_1 \\ \bar{X}_2 \\ \vdots \\ \bar{X}_p \end{pmatrix} (\beta_1, \beta_2, \dots, \beta_p) + (\beta_1, \beta_2, \dots, \beta_p) \begin{pmatrix} Md_1 \\ Md_2 \\ \vdots \\ Md_p \end{pmatrix} \right)}{\begin{pmatrix} \bar{X}_1 \\ \bar{X}_2 \\ \vdots \\ \bar{X}_p \end{pmatrix} (\beta_1, \beta_2, \dots, \beta_p) + (\beta_1, \beta_2, \dots, \beta_p) \begin{pmatrix} Md_1 \\ Md_2 \\ \vdots \\ Md_p \end{pmatrix}} \right]$$

Mean Square Error (MSE)

$$\begin{aligned} MSE &= \frac{N-n}{Nn} \bar{Y}^2 [C_y^2 + \theta_p^2 C_x^2 - 2\theta_p C_y C_x \rho] \\ &= \frac{(1-f) \bar{Y}^2 (C_y^2 + \theta_p^2 C_x^2 - 2\theta_p C_y C_x \rho)}{n} \end{aligned}$$

$$\text{Bias} = \frac{(1-f) \bar{Y} (\theta_p^2 C_x^2 - \theta_p C_y C_x \rho)}{n}$$

$$\text{Where } C_{xx} = \frac{S_x^2}{\bar{X}^2}, C_{yy} = \frac{S_y^2}{\bar{Y}^2} \text{ and } C_{yx} = \frac{S_{yx}}{\bar{Y}\bar{X}}$$

$$\text{The constant } (\theta_p) = \left[\frac{\bar{x}\beta_2}{\bar{x}\beta_2 + \beta_2 Md} \right]$$

$$= \left[\frac{\begin{pmatrix} \bar{X}_1 \\ \bar{X}_2 \\ \vdots \\ \bar{X}_p \end{pmatrix} (\beta_1, \beta_2, \dots, \beta_p)}{\begin{pmatrix} \bar{X}_1 \\ \bar{X}_2 \\ \vdots \\ \bar{X}_p \end{pmatrix} (\beta_1, \beta_2, \dots, \beta_p) + (\beta_1, \beta_2, \dots, \beta_p) \begin{pmatrix} Md_1 \\ Md_2 \\ \vdots \\ Md_p \end{pmatrix}} \right]$$

$$\text{The constant } (\theta_p) = \left[\frac{\bar{x}\beta_2}{\bar{x}\beta_2 + \beta_2 Md} \right]$$

Principal Components

Given a sample of n observation on a vector of P variables $X = (x_1, x_2, \dots, x_p)$, define the first

principal component (PC) of the sample by linear transformation:

$$z_1 = a_1^T X = \sum_{i=1}^p a_{i1} x_i$$

where the vector $a_1 = (a_{11}, a_{21}, \dots, a_{p1})$ is chosen such that $\text{var}(z_1)$ is maximum. Likewise, defined the k^{th} PC of the sample by linear transformation:

$$z_k = a_k^T X \quad k = (1 \dots p)$$

Where vector $a_k = (a_{1k}, a_{2k}, \dots, a_{pk})$ is chosen such that $\text{var}(z_k)$ is maximum, subject to $\text{cov}[z_k, z_l] = 0$ for $k \geq l \geq 1$ and $a_k^T a_k = 1$

Scree Graph

The term scree refers to the geological term for the debris at the bottom of a rocky cliff. We could plot the eigenvalues in an attempt to find a visual break between the large eigenvalues and the small eigenvalues. This plot is called scree graph.

RESULTS AND DISCUSSION

Four hundred and sixty-two (462) questionnaires were administered to staff of Federal University of Agriculture, Abeokuta, (FUNAAB) Ogun state, Nigeria to determine their total monthly expenditure (Y), house rent (X_1), Transportation fare (X_2), feeding cost (X_3), Electricity bill (X_4), Toiletries cost (X_5), Private coaching fee (X_6), Fueling of car (X_7), Fueling of generator (X_8) and Airtime cost (X_9).

The boxplot revealed that X_3 stands as an outlier, as shown in Figure 1, which indicates that the respondent spent more on food items. The variable of interest (Y) and each of the auxiliary variables (X) were used to test the efficiency of the new ratio estimator and the existing ratio estimator. The biases and MSE of the new estimator is lesser than the existing ratio estimator. Combining all the auxiliary variables we observed that the bias and MSE of the new ratio estimator are smaller compared with the existing estimator.

The parameters estimates were computed for variable of interest (Y) and all the auxiliary variables (X).

The proposed estimator is more efficient than the existing estimator, as the biases and mean squared error are less than that of existing estimators.

The graph of the biases and mean squared error of the proposed (blue line) and existing (red line) were shown in Figures 3 and 4, respectively. The graph also shows that the proposed estimator is more efficient than the existing estimator.

The principal component on the basis of the sample covariance matrix for the merged sample data sets for the first two components of the auxiliary variables which accounted for 76.2% of the total components are:

$$Y_1 = -0.1453589X_1 - 0.1755014X_2 - 0.8521833X_3 - 0.1398828X_4 - 0.1290020X_5 - 0.1481015X_6 - 0.3121008X_7 - 0.1863985X_8 - 0.1776501X_9$$

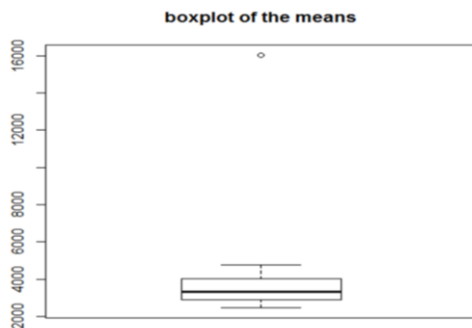


Figure 1: Box Plot for the Means of Auxiliary Variables.

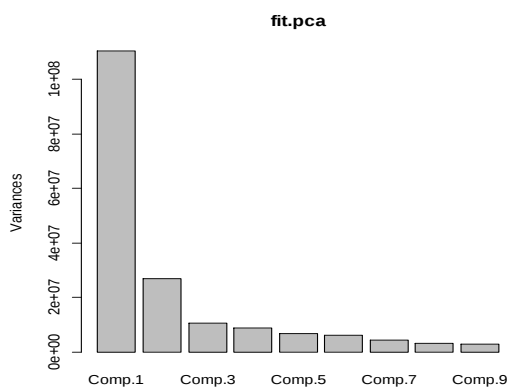


Figure 2: The Bar Plot.

$$Y_2 = -0.2390244X_1 - 0.3463498X_2 + 0.5017204X_3 - 0.2928875X_4 - 0.3308010X_5 - 0.2515492X_6 - 0.2944923X_7 - 0.4094889X_8 - 0.2414322X_9$$

with corresponding sample variance of 0.6126 and 0.1492 respectively, the total variance is 0.7618. Using the two components obtained from the PCA in the proposed ratio estimator, the bias equals zero and MSE also equals zero, which also establish that the proposed estimator is efficient than existing estimator.

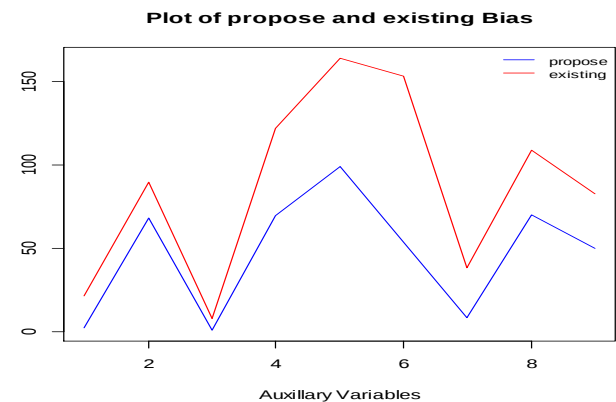


Figure 3: Graph of Bias of Proposed and Existing Estimator.

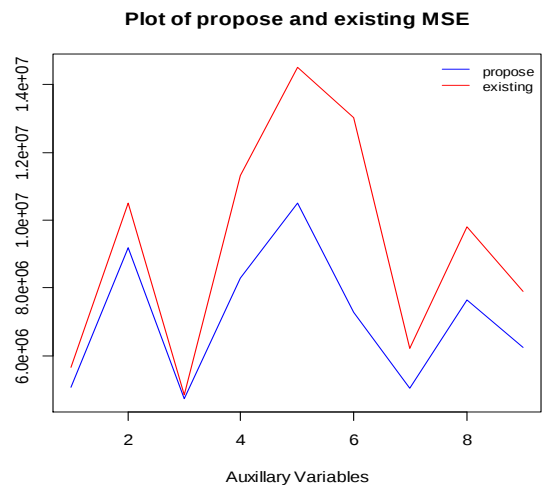


Figure 4: Graph of Mean Squared Error of Proposed and Existing Estimator

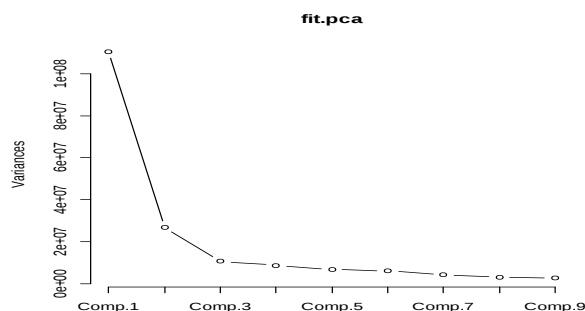


Figure 5: The Scree Plot.

CONCLUSION

The biases and the mean squared errors of the proposed estimator is lesser than the biases and the mean squared errors of the existing estimator by Subramani and Kumarapandiyan (2012). Hence, the proposed estimator is efficient

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SUGGESTED CITATION

Olayiwola, O.M., F.S. Apantaku, A.A. Adewara, and A.F. Gboyega. 2015. "Modified Ratio Estimator Using Multiple Auxiliary Variables". *Pacific Journal of Science and Technology*. 16(2):108-113.

