BADJI MOKHTAR UNIVERSITY
FACULTY OF ECONOMICS AND MANAGEMENT SCIENCES
Department: Financial Sciences

Exercise Serie N01.
Data Analysis, Statistics, and Application on SPSS

Level: L3
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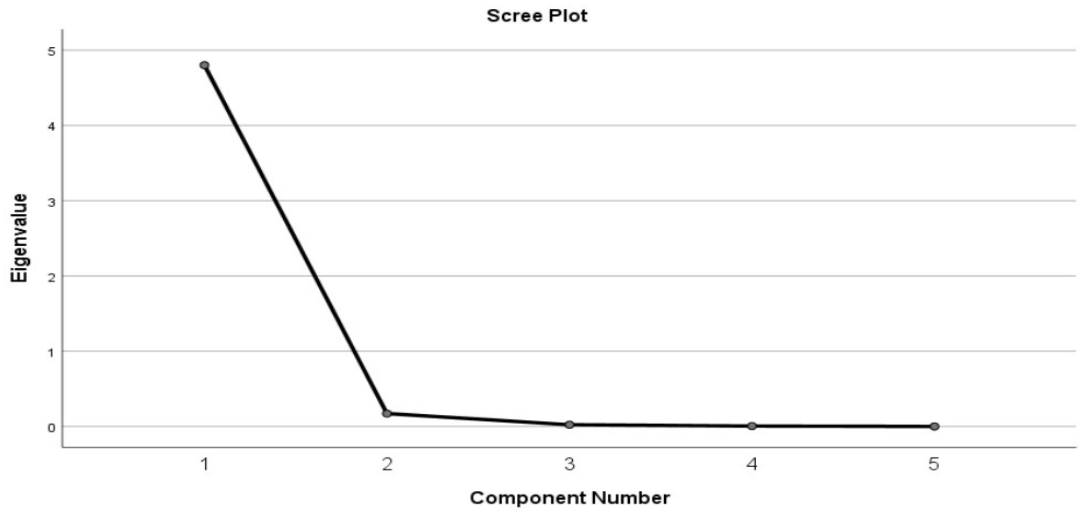
Exercise1:

The following table and figure represent the results of the analysis of the relationship between a set of economic variables using Principal Component Analysis (PCA).

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.817
Bartlett's Test of Sphericity	Approx. Chi-Square	390.436
	df	10
	Sig.	.000

	Eigenvalues		
Component	Total	% of Variance	Cumulative %
1		96	96
2		3.4	99.4
3		0.49	99.89
4		0.1	99.99
5		0.01	100
Total	5	100	



1. Does the correlation matrix represent the identity matrix? And are the data suitable for Principal Component Analysis?
2. Calculate the eigenvalues.
3. Based on the results of the table and figure above, how many principal components are selected?