

## Solutions

1.  $H_a : \mu < 35,000$

So:

$$\mu_o = 35,000$$

$$\mu_t = 32,000$$

$$\sigma = 4000$$

$$n = 35$$

$$\alpha = 0.05, z_\alpha = 1.645$$

$$\begin{aligned}\beta &= 1 - P\left(z < \frac{(35000-32000)}{4000/\sqrt{35}} - 1.645\right) = 1 - P(z < 2.79) \\ &= 1 - 0.9974 = 0.0026\end{aligned}$$

If  $\alpha = 0.001, z_\alpha = 3.090$

$$\begin{aligned}\beta &= 1 - P\left(z < \frac{(35000-32000)}{4000/\sqrt{35}} - 3.090\right) = 1 - P(z < 1.35) \\ &= 1 - 0.9115 = 0.0885\end{aligned}$$

A more stringent  $\alpha$  (lower P(type I error)) increases the type II error rate—all else being equal.

2.  $H_a : \mu > 250$  (You may have chosen  $\mu \neq 250$  since the problem isn't specific, but its more likely that the focus would be on whether or not the TVs exceed the advertised power requirement.)

So:

$$\mu_o = 250$$

$$\mu_t = 260$$

$$\sigma = 22$$

$$n = 20$$

$$\alpha = 0.025, z_\alpha = 1.960$$

$$\begin{aligned}\beta &= P\left(z < \frac{(250-260)}{22/\sqrt{20}} + 1.960\right) = P(z < -0.07) \\ &= 0.4721\end{aligned}$$

If  $n = 35$

$$\begin{aligned}\beta &= P\left(z < \frac{(250-260)}{22/\sqrt{35}} + 1.960\right) = P(z < -0.73) \\ &= 0.2327\end{aligned}$$

A larger sample size decreases the type II error rate—all else being equal.

3.  $H_a : \mu \neq 50$

So:

$$\mu_o = 50$$

$$\mu_t = 49$$

$$\sigma = 2.2$$

$$n = 20$$

$$\alpha = 0.05, z_{\alpha/2} = 1.96$$

$$\beta = P\left(z < \frac{(50-49)}{2.2/\sqrt{20}} + 1.96\right) - P\left(z < \frac{(50-49)}{2.2/\sqrt{20}} - 1.96\right)$$

$$= P(z < 3.99) - P(z < 0.07)$$

$$= 1.0000 - 0.5279 = 0.4721$$

$$\text{Power} = 1 - \beta = 0.5279$$

If  $\mu_t = 51$

$$\beta = P\left(z < \frac{(50-51)}{2.2/\sqrt{20}} + 1.96\right) - P\left(z < \frac{(50-51)}{2.2/\sqrt{20}} - 1.96\right)$$

$$= P(z < -0.07) - P(z < -3.99)$$

$$= 0.4721 - 0.0000 = 0.4721 \text{ (big surprise, right?)}$$

$$\text{Power} = 1 - \beta = 0.5279$$