

x : education: average = 12.5 $SD = 4$
 y : income: average = 19700 $SD = 16000$
 $r = 0.35$

a) regression line for predicting income

$$\text{slope} = r \cdot \frac{SD_y}{SD_x} = 0.35 \cdot \frac{16000}{4} = 1400$$

$$\text{intercept} = \text{avg}_y - \text{slope} \cdot \text{avg}_x = 19700 - 1400 \cdot 12.5 = 2200$$

equation: $\boxed{\text{income} = 2200 + 1400 \cdot \text{education}}$

b) income for men with 16 years of education:

$$2200 + 1400 \cdot 16 = \$24,600$$

c) income for men with 12 years of education:

$$2200 + 1400 \cdot 12 = \$19,000$$

$$\text{difference: } \$24,600 - \$19,000 = \$5,600$$

d) r.m.s. error = $\sqrt{1 - r^2} \cdot SD_y = \sqrt{1 - 0.35^2} \cdot 16000$

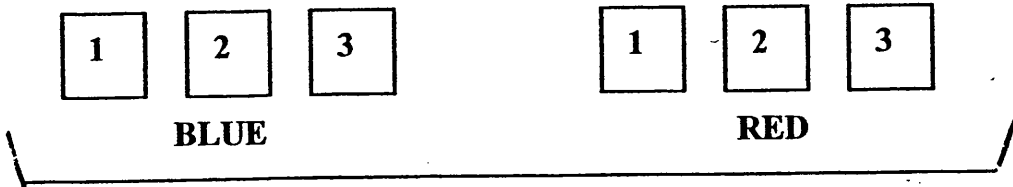
$$= \$14,988$$

$$\approx \$15 \text{ K}$$

new parts:

eg One draw will be made at random from...

2



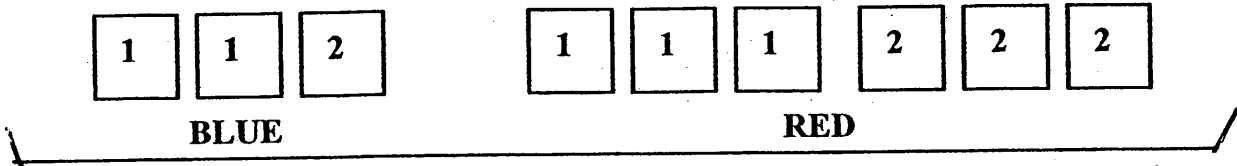
Are color and number independent?

if blue: chance for 1 : $\frac{1}{3}$
 2 : $\frac{1}{3}$
 3 : $\frac{1}{3}$

if red: chance for 1 : $\frac{1}{3}$
 2 : $\frac{1}{3}$
 3 : $\frac{1}{3}$

} independent

eg As above, for the box...

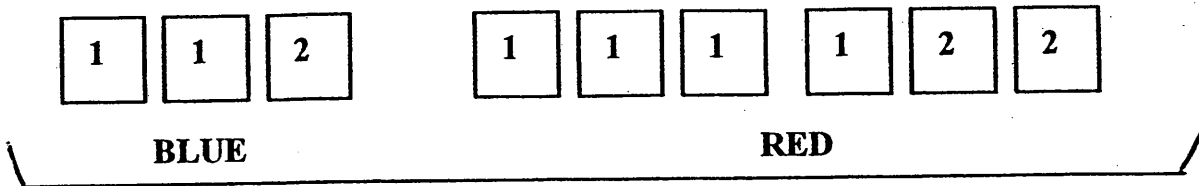


if blue: chance for 1 : $\frac{2}{3}$
 2 : $\frac{1}{3}$

if red: chance for 1 : $\frac{3}{6} = \frac{1}{2}$
 2 : $\frac{3}{6} = \frac{1}{2}$

} not independent

eg As above, for the box...



if blue: chance for 1 : $\frac{2}{3}$
 2 : $\frac{1}{3}$

if red: chance for 1 : $\frac{4}{6} = \frac{2}{3}$
 2 : $\frac{2}{6} = \frac{1}{3}$

} independent

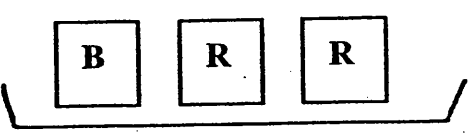
eg roll 3 dice

a) What's the chance of getting $\square \cdot \square \cdot \square$? $\frac{1}{216}$

b) What's the chance of getting no $\square \cdot$? $\left(\frac{5}{6}\right)^3 = \frac{125}{216}$

c) What's the chance of getting at least one $\square \cdot$? $1 - \frac{125}{216} = \frac{91}{216}$

eg Draw 2 tickets with replacement from...



What is the chance they are the same color?

BB or RR
 $\frac{1}{3} \cdot \frac{1}{3} + \frac{2}{3} \cdot \frac{2}{3} = \frac{1}{9} + \frac{4}{9} = \frac{5}{9}$

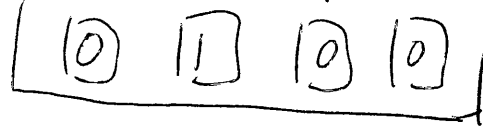
Page 19 (middle):

(4)

2 tickets (with replacement) from box



change to box



sum is odd if

$$\begin{aligned} & \text{first even, second odd} : \frac{3}{4} \cdot \frac{1}{4} = \frac{3}{16} \\ & \text{or first odd, second even} : \frac{1}{4} \cdot \frac{3}{4} = \frac{3}{16} \end{aligned} \quad \left. \vphantom{\begin{aligned} & \text{first even, second odd} : \frac{3}{4} \cdot \frac{1}{4} = \frac{3}{16} \\ & \text{or first odd, second even} : \frac{1}{4} \cdot \frac{3}{4} = \frac{3}{16} \end{aligned}} \right\} = \frac{6}{16} = \frac{3}{8}$$

same box, without replacement:

$$\begin{aligned} & \text{first even, second odd} : \frac{3}{4} \cdot \frac{1}{3} = \frac{3}{12} = \frac{1}{4} \\ & \text{or first odd, second even} : \frac{1}{4} \cdot \frac{3}{3} = \frac{3}{12} = \frac{1}{4} \end{aligned} \quad \left. \vphantom{\begin{aligned} & \text{first even, second odd} : \frac{3}{4} \cdot \frac{1}{3} = \frac{3}{12} = \frac{1}{4} \\ & \text{or first odd, second even} : \frac{1}{4} \cdot \frac{3}{3} = \frac{3}{12} = \frac{1}{4} \end{aligned}} \right\} = \frac{2}{4} = \frac{1}{2}$$

only interested in positive numbers in loss:

original loss

$$\boxed{(-2) \quad (-1) \quad 0 \quad 1 \quad 3}$$

becomes

$$\boxed{0 \quad 0 \quad 0 \quad 1 \quad 3}$$

number of draws = 100

loss average: $\frac{0+0+0+1+3}{5} = \frac{4}{5}$

$$\text{loss SD} = \sqrt{\frac{3 \cdot (0 - 4/5)^2 + (1 - 4/5)^2 + (3 - 4/5)^2}{5}}$$

$$= \sqrt{\frac{3 \cdot \frac{16}{25} + \frac{1}{25} + \frac{121}{25}}{5}}$$

$$= \sqrt{\frac{48 + 1 + 121}{125}}$$

$$= \sqrt{\frac{170}{125}} = \sqrt{1.36} \approx 1.166$$

$[\approx 1.2]$

$$E_{\text{sam}} = 100 \cdot \frac{4}{5} = 80$$

$$SE_{\text{sam}} = \sqrt{100} \cdot 1.166 = 10 \cdot 1.166 = 11.66$$

$$\left[\sqrt{100} \cdot 1.2 = 10 \cdot 1.2 = 12 \right]$$

Box Model, EV, SE, & Normal Curve

6

In Stat 1040, 25% students are male.

We randomly select 50 students

What is the chance that less than 5 students are male?

a) box model: male = 1
female = 0

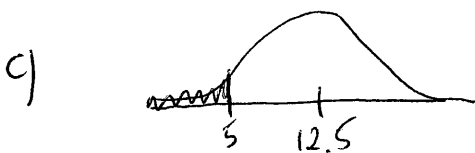
$$\boxed{25 \times \boxed{1} \quad 75 \times \boxed{0}} \quad \text{number of draws} = 50$$

b) box avg = $\frac{25}{100} = 0.25 = 25\%$

$$\text{box SD} = \sqrt{\frac{25}{100} - \frac{75}{100}} = \sqrt{0.25 \cdot 0.75} = \sqrt{0.1875} = 0.433$$

$$EV_{\text{sum}} = 50 \cdot 0.25 = 12.5$$

$$SE_{\text{sum}} = \sqrt{50} \cdot 0.433 = 3.06$$



$$\text{S.U.: } \frac{5 - 12.5}{3.06} = \frac{-7.5}{3.06} = -2.45$$

area between -2.45 to 2.45: 98.57%

$$\text{area below } -2.45 = \frac{100\% - 98.57\%}{2} = \frac{1.43\%}{2} = \underline{\underline{0.715\%}}$$