Topics: Confidence Intervals

1.

For each of the following statements, indicate whether it is

True/False.

If false,

explain why.

I.

The sample size of the survey should at least be a fixed percentage of the

population size in order to produce representative results.

Answer:

FALSE

Reason: A sample size of 30 is considered large enough, but that may or may not be

adequate.

II.

The sampling frame is a list of every item that appears in a survey sample,

including those that did not respond to questions.

Answer:

TRUE

Reason: The population is generic and the sampling frame is a specific list of all items in

the population. Hence the sampling frame includes those that did not respond to

questions.

III.

Larger surveys convey a more accurate impression of the population than

smaller surveys.

Answer:

TRUE

2.

PC Magazine

asked all of its readers to participate in a survey of their satisfaction

with different brands of electronics. In the 2004 survey, which was included in an

issue of the magazine that year, more than 9000 readers rated the products on a scale

from 1 to 10. The magazine reported that the average rating assigned by 225 readers

to a Kodak compact digital camera was 7.5. For this product, identify the following:

A.

The population

◊

All the readers of PC Magazine

B.

The parameter of interest

◊

C.

The sampling frame

◊

Readers that rated the products (around 9000)

D.

The sample size

◊

225

E.

The sampling design

◊

F.

Any potential sources of bias or other problems with the survey or sample

◊

Selection of the readers, selection of the issue which will contain the survey

3.

For each of the following statements, indicate whether it is

True/False.

If false,

explain why.

I.

If the 95% confidence interval for the average purchase of customers at a

department store is $50 to $110, then $100 is a plausible value for the

population mean at this level of confidence.

Answer:

TRUE

Reason:

The 95% confidence interval for the average purchase of customers at a

department store is $50 to $110. Which means that there is a 95% chance that the

population mean will fall between $50 and $110. Hence, as $100 falls between $50 and

$110, it is a plausible value for the population mean at this confidence level.

II.

If the 95% confidence interval for the number of moviegoers who purchase

concessions is 30% to 45%, this means that fewer than half of all moviegoers

purchase concessions.

Answer:

TRUE

Reason: The 95% confidence interval for the number of moviegoers who purchase

concessions is 30% to 45%, this means that there is a 95% chance that only 30 to 45 % of

moviegoers purchase concessions, which is less than 50%. Hence, we can infer that fewer

than half of all the moviegoers purchase concessions.

III.

The 95% Confidence-Interval for

μ

only applies if the sample data are nearly

normally distributed.

Answer:

TRUE

4.

What are the chances that

μ

>

X

?

A.

¼

B.

½

C.

¾

D.

1

Answer:

B. 1/2

(Mean of Sample means is equal to population mean)

5.

In January 2005, a company that monitors Internet traffic (WebSideStory) reported

that its sampling revealed that the Mozilla Firefox browser launched in 2004 had

grabbed a 4.6% share of the market.

I.

If the sample were based on 2,000 users, could Microsoft conclude that

Mozilla has a less than 5% share of the market?

NO

II.

WebSideStory claims that its sample includes all the daily Internet users. If

that’s the case, then can Microsoft conclude that Mozilla has a less than 5%

share of the market?

YES

6.

A book publisher monitors the size of shipments of its textbooks to university

bookstores. For a sample of texts used at various schools, the 95% confidence

interval for the size of the shipment was 250 ± 45 books. Which, if any, of the

following interpretations of this interval are correct?

A.

All shipments are between 205 and 295 books.

INCORRECT

B.

95% of shipments are between 205 and 295 books.

CORRECT

C.

The procedure that produced this interval generates ranges that hold the

population mean for 95% of samples.

CORRECT

D.

If we get another sample, then we can be 95% sure that the mean of this

second sample is between 205 and 295.

CORRECT

E.

We can be 95% confident that the range 160 to 340 holds the population

mean.

INCORRECT

7.

Which is shorter: a 95%

z

-interval or a 95%

t

-interval for

μ

if we know that σ =s?

A.

The z-interval is shorter

B.

The t-interval is shorter

C.

Both are equal

D.

We cannot say

Questions 8 and 9 are based on the following: To prepare a report on the economy,

analysts need to estimate the percentage of businesses that plan to hire additional

employees in the next 60 days.

8.

How many randomly selected employers (minimum number) must we contact in

order to guarantee a margin of error of no more than 4% (at 95% confidence)?

A.

600

B.

400

C.

550

D.

1000

Answer== **margins of error estimate is 1/sqrt(n)  
if 0.04=1/25 is margin of error**

**then n=25^2 or 625.  
Choose 600.**

9.

Suppose we want the above margin of error to be based on a 98% confidence level.

What sample size (minimum) must we now use?

A.

1000

B.

757

C.

848

D.

543

Answer= for 98% confidence interval we use,848 minium sample size..