

R Intermediate Short Course

Session 4 - Hypothesis Testing

(Two sample Proportions)

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(5:00pm - 7:00pm)
(online)

For the **two-sample** hypothesis test we compare the difference between two proportions that are assumed to come from a normal population.

The types of hypotheses tested are:

1. **Two tailed test**

$$H_0 : p_1 = p_2 \text{ vs } H_1 : p_1 \neq p_2$$

or written as

$$H_0 : p_1 - p_2 = 0 \text{ vs } H_1 : p_1 - p_2 \neq 0$$

2. **Upper tailed test**

$$H_0 : p_1 \leq p_2 \text{ vs } H_1 : p_1 > p_2$$

3. **Lower tailed test**

$$H_0 : p_1 \geq p_2 \text{ vs } H_1 : p_1 < p_2$$

where the null hypothesis can be written as $H_0: p_1 = p_2$ regardless of the type of test.

$\hat{p}_1 = \frac{x_1}{n_1}$ and $\hat{p}_2 = \frac{x_2}{n_2}$ are the sample estimates for the population proportions, p_1 and p_2 .

We reject the null hypothesis H_0 if,

1. The confidence interval does not contain the value at H_0
2. P-value $< \alpha$ (level of significance)

Performing two-sample proportion tests in R:

Two tailed test:

```
prop.test(x, n, p=NULL, alternative = "two.sided",
          conf.level = CL, correct = T/F)
```

Upper tailed test:

```
prop.test(x, n, p=NULL, alternative = "greater",
          conf.level = CL, correct = T/F)
```

Lower tailed test:

```
prop.test(x, n, p=NULL, alternative = "less",
          conf.level = CL, correct = T/F)
```

where,

x = a vector of the number of successes

n = a vector of the number of trials

p = NULL since the value at H_0 is 0

alternative = " " depends on the type of test

and correct = TRUE/FALSE represents Yates correction for continuity.

Example 1:

In a sample of 200 imported vehicles, 90 vehicles cost more than \$100,000. In another sample of 275 imported vehicles, 125 vehicles cost more than \$100,000. Test at $\alpha = 0.03$ whether there is a difference in the proportion of vehicles that cost more than \$100,000 from both samples.

Required to test $H_0: p_1 = p_2$ vs $H_1: p_1 \neq p_2$

Parameters: $x_1 = 90$ and $x_2 = 125 \Rightarrow x = c(90, 125)$

$n_1 = 200$ and $n_2 = 275 \Rightarrow n = c(200, 275)$

$$CL = 1 - \alpha = 1 - 0.03 = 0.97$$

R Output: (see next slide)

R Console

```
> prop.test(x = c(90,125), n=c(200,275), p = NULL,
+ alternative="two.sided", conf.level=0.97, correct=T)

 2-sample test for equality of proportions with continuity
 correction

data: c(90, 125) out of c(200, 275)
X-squared = 2.414e-05, df = 1, p-value = 0.9961
alternative hypothesis: two.sided
97 percent confidence interval:
 -0.1092307  0.1001398
sample estimates:
 prop 1    prop 2
0.4500000 0.4545455
```

The 97% confidence interval (-0.109, 0.100) contains the value 0 and the p-value (= 0.996) is greater than the level of significance α (= 0.03).

Therefore we fail to reject H_0 concluding that there is no significant difference in the proportion of vehicles from both samples.

Example 2:

The mtcars built-in data set in R shows various features of 32 cars. Conduct a hypothesis test at $\alpha = 0.05$ to show that the proportion of vehicles having 4 gears is greater than the proportion of vehicles with 5 gears in the data.

Required to show that the test $H_0: p_1 \leq p_2$ vs $H_1: p_1 > p_2$ rejects H_0 at a 5% level of significance.

Parameters:

We know $n_1 = 32$ and $n_2 = 32$ since the sample size is 32.

We also know alternative = "greater" and CL = 0.95.

Now we must find x_1 and x_2 from the data set where x_1 is the number of vehicles that have 4 gears and x_2 is the number of vehicles with 5 gears.

```
> attach(mtcars)
> library(data.table)
> x1 = which(gear == 4)
```

```
> length(x1)
[1] 12
> x2 = which(gear == 5)
> length(x2)
[1] 5
```

$$x_1 = 12 \text{ and } x_2 = 5 \Rightarrow x = c(12, 5)$$

$$\text{Also } n = c(n_1, n_2) = c(32, 32)$$

```
> prop.test(x=c(12,5), n=c(32,32), p=NULL,
alternative="greater", conf.level=0.95, correct=T)
```

R Output: (see next slide)

R Console

```
> prop.test(x = c(12,5), n=c(32,32), p = NULL,
+ alternative="greater", conf.level=0.95, correct=T)

 2-sample test for equality of proportions with continuity
 correction

data: c(12, 5) out of c(32, 32)
X-squared = 2.8836, df = 1, p-value = 0.04474
alternative hypothesis: greater
95 percent confidence interval:
 0.01153839 1.00000000
sample estimates:
 prop 1  prop 2
0.37500 0.15625
```

> |

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The 95% confidence interval (0.011, 1.000) does not include 0 and the p-value ($= 0.045$) is less than α . We can reject H_0 to show that the proportion of vehicles with 4 gears is greater than those with 5 gears.

In-class Exercises

Question 1

(15min + 7min)

The built-in data set *iris* gives the measurements of 4 features for different flowers each having 3 species of iris i.e. *setosa*, *versicolor* and *virginica*.

Construct a table showing the simulated means of the 4 features for each of the species in the data set. Your table should be labelled like this:

```
> table  
          Sepal.Length  Sepal.Width   Petal.Length  Petal.Width  
setosa  
versicolor  
virginica
```

Question 2

(13min + 5min)

Let X be a random variable that follows a binomial distribution with parameters $n = 2000$ and $p = 0.001$. Also, let Y be a random variable that follows a Poisson distribution with mean 2.

- (i) Compute the probabilities: $P(X \leq 3)$ and $P(Y = 4)$
- (ii) By generating a sample of 50000 values of X and 50000 values of Y , construct histograms for X and Y . Use `set.seed(8)`.
- (iii) Compute the covariance and correlation between the samples of X and Y generated. What conclusion can you draw from these values?

Question 3

(10min + 5min)

The Orange built-in data set in R gives the growth by circumference of 5 orange trees as they age. Test at a 5% level of significance, whether the mean circumference of trees is significantly different from 110 mm.

Question 4

(13min + 7min)

A sample of 12 employees were evaluated on a monthly basis, using an employee performance metric. The higher the value of the performance metric the better the employee performs. Their performance after the 1st and 2nd month of evaluation were recorded as follows:

1 st month	0.70	0.65	0.96	0.23	0.51	0.63
2 nd month	0.70	0.68	0.84	0.44	0.49	0.70

1 st month	0.88	0.12	0.36	0.92	0.47	0.09
2 nd month	0.89	0.18	0.56	0.92	0.72	0.12

- (i) Determine the mean difference in employee performance (manually enter the formula in R).
- (ii) Conduct a hypothesis test at $\alpha = 0.10$ to determine if there is a decrease in the performance of employees.
- (iii) Given that the test statistic is:

$$\frac{(\bar{d} - \mu_0)}{s_d / \sqrt{n}}$$