

# Confidence Intervals

# Objectives

- 1 Determine confidence intervals for population mean
- 2 Determine the confidence interval for Student's t-Distribution
- 3 Determine confidence intervals for population proportion
- 4 Determine the necessary sample size

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That is where confidence intervals come into play.

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The **confidence level**, or **level of confidence**, is the percentage of the number of times our confidence intervals will contain the population parameter.

Typical confidence levels are 90%, 95%, 98%, and 99%.

# Confidence Interval Setup

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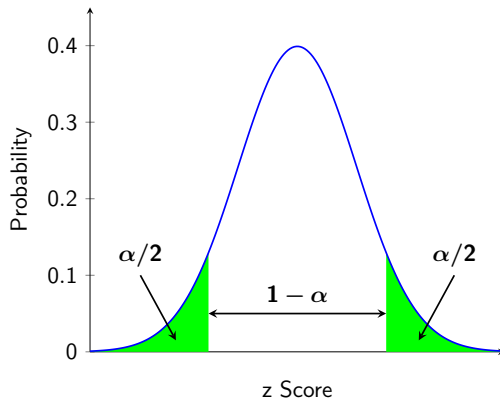
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The margin of error is in the form

$$\text{critical value} \times \text{standard error}$$

# Critical Values

Critical values are typically in the form  $z_{\alpha/2}$  where



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*Note:* If  $\sigma$  is unknown, you can use the sample standard deviation,  $s$ , when the sample size is large enough ( $n \geq 30$ ).

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A 95% confidence interval for the population mean waiting time is 3.353 to 3.647 minutes.

# Error Bars

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However, be advised that some graphs use standard deviation for their error bars.

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A 98% confidence interval for the mean population price per gallon is \$2.41 to \$2.49

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A 98% confidence interval for the mean population price per gallon is \$2.44 to \$2.46

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- We are \_\_\_\_ % confident that the population mean is in this interval.
- There is a \_\_\_\_ % chance that the population mean is (*whatever the sample mean is*).

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