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##### Assignment 1#####
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```
##### Problem 1
```

```
##Q1
```

```
prob_no_conflict = pnorm(5,4.5,0.37)
prob_cut_in = 1 - prob_no_conflict
```

```
## prob_cut_in = 0.08829145
## Therefore, the prob that the baseball game will cut into that program
is 0.08829145
```

```
##Q2
```

```
prob_show = pnorm(4.5,4.5,0.37)
```

```
## prob_show = 0.5
## Therefore, the prob of the 0.5h show is 0.5
```

```
##Q3
```

```
prob_long_show = pnorm(4,4.5,0.37)
```

```
## prob_long_show = 0.08829145
## Therefore, the prob of the 1h show is 0.08829145
```

```
##Q4
```

```
library("lubridate")
cutoff_time = qnorm(0.99, 16.5, 0.37)
min_time = (cutoff_time - round(cutoff_time))*60
date_cut = make_datetime(hour = round(cutoff_time), min = min_time)
finaltime = as.character(date_cut, format='%H:%M:%S')
```

```
## finaltime = "17:21:00"
## Therefore, the 99% ensured cut-off time is 17:21:00
```

```
## Q5
```

```
cutoff_time_tail1 = qnorm(0.025, 16.5, 0.37)
cutoff_time_tail2 = qnorm(0.975, 16.5, 0.37)
min_time_1 = (cutoff_time_tail1 - round(cutoff_time_tail1))*60
min_time_2 = (cutoff_time_tail2 - round(cutoff_time_tail2))*60
date_cut_1 = make_datetime(hour = round(cutoff_time_tail1), min =
min_time_1)
date_cut_2 = make_datetime(hour = round(cutoff_time_tail2), min =
min_time_2)
finaltime_1 = as.character(date_cut_1, format='%H:%M:%S')
finaltime_2 = as.character(date_cut_2, format='%H:%M:%S')
```

```
## finaltime_1 = "15:47:00"
## finaltime_2 = "17:13:00"
## Therefore, the time slot of 95% insurance is 15:47:00 - 17:13:00
```

```
##### Problem2
```

```
##### a
```

```
df = data.frame(c(0.58,0.27,NaN),c(0.12,0.03,NaN), c(NaN, NaN, 1.00))
```

```
rownames(df) = c("X = 0", "X = 1", "Total")
colnames(df) = c("Y = 0", "Y = 1", "Total")
df[1:2,"Total"] = df$`Y = 0`[1:2] + df$`Y = 1`[1:2]
df["Total",] = df["X = 0",] + df["X = 1",]
```

#####Therefore, the table will be like

```
#####      Y = 0 Y = 1 Total
##### X = 0  0.58  0.12  0.7
##### X = 1  0.27  0.03  0.3
##### Total 0.85  0.15  1.0
```

b

It belongs to the discrete distribution
 ### And the distribution is Bernoulli distribution.

c

```
E_Y = df['Total',1]*0 + df['Total',2]*1
```

Therefore, the E(Y) is 0.15 and this number means 15% earnings needs to be restated

no matter that whether IFE serves on the board.

d

```
weight_x = c(0,1,0)
E_X = sum(df$Total*weight_x)
```

Therefore, the E(X) is 0.3 and this number means in 30% cases,
 ## IFE serves on the firm's board.

e

```
E_Y_0 = df['X = 0',1]*0/df['X = 0',3] + df['X = 0',2]*1/df['X = 0',3]
E_Y_1 = df['X = 1',1]*0/df['X = 1',3] + df['X = 1',2]*1/df['X = 1',3]
```

Therefore, the $E(Y|X=0)$ is 0.1714286 and the $E(Y|X=1)$ is 0.1
 ## $E(Y|X=0)$ means that if there is no IFE served on the board, the expectation of restated earning is 0.1714286, which means that 17.14286% earning needs to be restated with no IFE served.
 ## $E(Y|X=1)$ means that if there is IFE served on the board, the expectation of restated earning is 0.1, which means that 10% earning needs to be restated with IFE served.
 ## And it tells that having IFEs on corporate boards can reduce the possibility of restated earnings from the data of this table.

f

if I know it has to restates its earning
 $P_{X_1} = df$`Y = 1`[2]*1/df$`Y = 1`[3]$

if I don't know it had to restate its earnings
 $P_X = df$Total[2]*1/df$Total[3]$

Therefore, if I know it has to restate its earning, the prob is 0.2
 ## If I don't know whether it has to restate its earning, the prob is 0.3

g

They are not independent, because if they are independent, $P(X = 1) = P(X = 1|Y = 1)$
However, in question f, we have proved that those two values are not equal
Therefore, they are not independent.