

## Computation for Critical Value

Let me clarify you the easiest way of computing critical value for the standard normal distribution like:

- $Z_{\alpha/2}$  and
- $Z_{\alpha}$  e.t.c

1. For instance if you are interesting to compute  $Z_{\alpha/2}$  for  $\alpha = 10\%$

$$\Rightarrow \alpha = 0.1$$

$$\Rightarrow \frac{\alpha}{2} = \frac{0.1}{2} = 0.05 \text{ then, subtract this value from 1}$$

$$\Rightarrow 1 - 0.05 = 0.9500$$

Now you can find the best approximated value for 0.9500 from distributional values (*bellow the first row and to the right of the first column*) and then the value of  $Z_{\alpha/2}$  becomes the sum of the column and row values corresponding to that value.

$$\Rightarrow Z_{\alpha/2} = 1.65$$

i.e. Follow the following pattern;

Z	0.00	0.01	---	0.05
0.0				
.				
.				
.				
1.6				0.9505
.				
.				
.				

2. As another example, we may also interested to compute  $Z_{\alpha}$  for  $\alpha = 0.01$  or 1% then with the same fashion we can use the above procedure i.e.,

$$Z_{\alpha} = Z_{0.01}$$

$$\Rightarrow 1 - \alpha = 1 - 0.01 = 0.9900$$

- Now you can find the best approximated value for 0.9900 from distributional values which is equals to 0.9901

$$\Rightarrow Z_{\alpha} = 2.33 \text{ which means } 2.3 \text{ on row-wise and } 0.03 \text{ on column wise}$$

3. Please you can practice by taking any  $\alpha$  value for the common understanding like;

- 98% CI  $\Rightarrow \alpha = 2\%$  and compute  $Z_{\alpha/2}$ ,
- $\alpha = 10\%$  and compute  $Z_{\alpha}$ ,
- $\alpha = 1\%$  and compute  $Z_{\alpha/2}$  and so forth ...using similar procedures above. It helps you to prepare yourself for the final exam.