

```
In [1]: import numpy          as np
import pandas          as pd
import matplotlib.pyplot as plt
from scipy.stats       import chi2_contingency
```

```
In [4]: df = pd.DataFrame({'Promoted': [15, 16], 'Not-promoted': [9, 15]}, index = ['C
```

```
In [5]: df
```

```
Out[5]:
```

	Promoted	Not-promoted
Company A	15	9
Company B	16	15

## Step 1: Define null and alternative hypotheses

H0: Promotions are dependent on Company type H1: Promotions are independent of Company type

## Step 2: Decide the significance level

Here we select  $\alpha = 0.05$  as per 95% Confidence Level requirement in the question.

## Step 3: Identify the test statistic

This is a Chi-sq Test where categorical data has been reported in raw frequencies

## Step 4: Calculate the p - value and test statistic

```
In [6]: chi2, pval, dof, exp_freq = chi2_contingency(df, correction = False)
```

```
In [7]: pval
```

```
Out[7]: 0.41943105261448455
```

## Step 5: Decide to reject or accept null hypothesis

Since the pvalue is  $> 0.05$ , therefore, at 95% confidence we fail to reject the null hypothesis which implies the management is not biased in favor of employees originally belonging to company A

In [ ]: