

Scenario

There are many houses in Ames, Iowa, and you saw in a local news article that the mean home sale price is \$135,000, and you'd like to verify this. You can't obtain details on every home, so you decide to estimate the mean sale price using your sample of 300 homes. Earlier, you calculated a sample mean of \$137,525 and a standard error of \$2,172. Given that there's variability in your sample, is it safe to assume that the population parameter could in fact be \$135,000, or is this value unreasonable given the data? You can use a one-sample t test to answer this question.

Statistics 1: Introduction to ANOVA, Regression, and Logistic Regression

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