

Company wants to buy t-shirts for 100k employees.

For 500 employees if 300 XL & 200 L

the calculate how many XL & L shirts should be ordered for 100k employees

→ Formula for Confidence Interval for Proportion

$$\hat{p} \pm Z \sqrt{\frac{\hat{p}(1-\hat{p})}{n}}$$

Will assume CI = 95%

$\alpha = 0.05$, $n = \text{sample size } 500$

$$\hat{p} = \frac{300}{500} = 0.6 \text{ (for XL shirts)}$$

$$0.6 \pm 1.96 \sqrt{\frac{(0.6)(0.4)}{500}}$$

$$\text{Lower fence} = 0.6 - 1.96 \sqrt{\frac{0.6 \times 0.4}{500}} \\ = 0.557$$

$$\text{Higher fence} = 0.6 + 1.96 \sqrt{\frac{0.6 \times 0.4}{500}} \\ = 0.643$$

∴ for 100K employees the confidence interval for XL shirts will be

$$\begin{array}{ccc} 0.557 \times 100K & & 0.643 \times 100K \\ [55,700 \longleftrightarrow 64,300] & & \underline{\underline{XL}} \end{array}$$

Using this, the portion of L shirts can be calculated as $1 - 0.557 = 0.443$

$$1 - 0.643 = 0.357 \text{ i.e.}$$

$$[35,700 \longleftrightarrow 44,300] \underline{\underline{L}}$$

[We can also calculate it using formula
[for L shirts like XL]

This means if the company wants to buy shirts for 100k employees they can buy

between 55700 to 64300 XL shirts

between 35700 to 44300 L shirts

with 95% confidence interval.