

Building permits - Chi

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Agenda

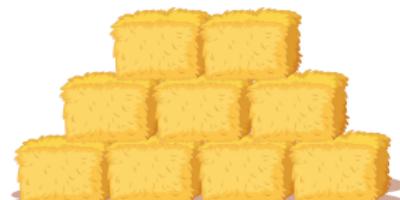
- The story
- Dataset
- From Business to statistics

The story

A house inspector randomly samples building permits pulled by 69 little pigs who were building houses.

Wonder if there a preference for materials

materials categories: [brick, sticks, straw]



Dataset

Our Data contains two columns

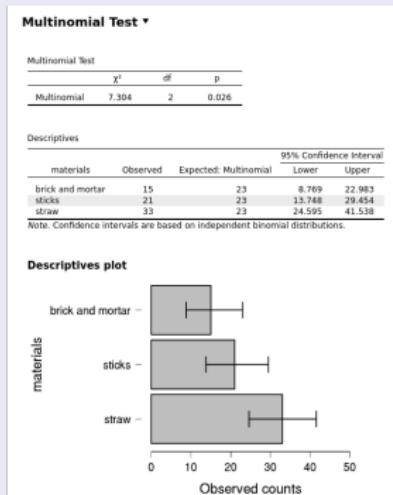
- **materials:** Name of the material
- **permits:** number of building found with the material

materials	permits
straw	15
sticks	21
brick and mortar	33

Questions

- **Business:** is there preference in material?!
- **Statistical:** permits(material 1) = permits(material 2) ... = permits(material n)
- The Statistical test is **Chi-square** (Hope: this test to be statistically significant)

test result



- The p-value is much less than .05
- Which means there is preference
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- So, we confidently reject the H_0
- **Great**