

ch 8 Q4

$$H_0: \sigma^2 = 0.04$$

$$H_a: \sigma^2 > 0.04$$

$$\text{Test statistic } \chi^2 = \frac{(n-1)s^2}{\sigma_0^2} = \frac{29 \times 0.054}{0.04} \approx 39.15$$

Rejection region (at $\alpha = 0.05$ level):

$$\begin{aligned} \chi^2 &> \chi^2_{1-\alpha}(n-1) \\ &= \chi^2_{0.95}(29) \\ &\approx 42.556 \end{aligned}$$

But $39.15 < 42.556$

\therefore There is not enough ^{statistical} evidence
to reject the null hypothesis
that $\sigma^2 = 0.04$ (so naturally,
we cannot reject $\sigma^2 \leq 0.04$
either)

\therefore Shipment should not be returned.