

Here is the correct solution; I think we just grabbed the wrong standard deviation.

$Y =$ number of 160 people getting a seat on the airplane

$$Y \sim \text{Binom}(160, .95)$$

$$X_i \sim \text{Binom}(1, .95)$$

Find $P\left(\sum_{i=1}^{160} X_i \leq 155\right)$:

$$P\left(\sum_{i=1}^{160} X_i \leq 155\right) = P\left(\frac{1}{160} \sum_{i=1}^{160} X_i \leq \frac{155}{160}\right) = P(\bar{X} \leq \frac{155}{160}) \quad \bar{X} \approx \text{Norm}(.95, \sigma_{\bar{X}})$$

$$\sigma_{\bar{X}} = \frac{\sigma_{X_i}}{\sqrt{n}} = \frac{\sqrt{.95(.05)}}{\sqrt{160}}$$

$$\begin{aligned} \text{Thus, } P(\bar{X} \leq \frac{155}{160}) &\approx P\left(\frac{\bar{X} - .95}{\sigma_{\bar{X}}} \leq \frac{\frac{155}{160} - .95}{\sigma_{\bar{X}}}\right) \\ &= P\left(Z \leq \frac{(\frac{155}{160} - .95) \sqrt{160}}{\sqrt{.95(.05)}}\right) = P(Z \leq 1.088214) \approx .86175 \end{aligned}$$

was missing

OR better

Since X_i is discrete, and a normal distribution is not,

calculate

$$P\left(\sum_{i=1}^{160} X_i \leq 155.5\right)$$

?

put in average of 155, 156 to accommodate continuous approximation

$$\approx P\left(Z \leq \frac{(\frac{155.5}{160} - .95) \sqrt{160}}{\sqrt{.95(.05)}}\right) = P(Z \leq 1.269583) \approx .8979$$

↑
book's answer