University of Texas at Austin

Problem Set 12

The normal approximation to the binomial.

Problem 12.1. According to the Pew research center, 64% of Americans say that social media have a mostly negative effect on things (see https://pewrsr.ch/3dsV7uR). You take a sample of 1000 randomly chosen Americans. What is the approximate probability that at least 650 of them say that social media have a mostly negative effect on things?

Instructor: Milica Čudina

Course: M339D/M389D - Intro to Financial Math

Problem set: 12

Page: 2 of 3

Problem 12.2. According to a Gallup survey, only 22% of American young adults rate their mental health as *excellent*:

 $\verb|https://www.gallup.com/education/328961/why-higher-education-lead-wellbeing-revolution. as px. |$

You sample 6000 randomly chosen American young adults. What is the approximate probability that at most 1400 of them rate their mental health as *excellent*?

INSTRUCTOR: Milica Čudina