**Topics: Normal distribution, Functions of Random Variables**

1. The time required for servicing transmissions is normally distributed with *μ* = 45 minutes and *σ* = 8 minutes. The service manager plans to have work begin on the transmission of a customer’s car 10 minutes after the car is dropped off and the customer is told that the car will be ready within 1 hour from drop-off. What is the probability that the service manager cannot meet his commitment?
2. 0.3875
3. 0.2676
4. 0.5
5. 0.6987

Ans:- B. Q1\_ans\_set2.ipynb

he customer is told that the car will be ready within 1 hour from drop-off, which means that the service manager has a total of 60 - 10 = 50.

*μ* = 45 , *σ* = 8 , x= 50

Z= = 50-45/8 = 0.625

IF p(x>50)

1-stats.norm.cdf(0.625) = 0.26599

IF p(x<50)

Stats.norm.cdf(0.625) = 0.7340

P(X>50) = 1 - P(X<=50)

1**-**0.734

=0.26

1. The current age (in years) of 400 clerical employees at an insurance claims processing center is normally distributed with mean *μ* = 38 and Standard deviation *σ* =6. For each statement below, please specify True/False. If false, briefly explain why.
2. More employees at the processing center are older than 44 than between 38 and 44.

Ans:- Therefore, the proportion of employees between 38 and 44 is 0.3413, while the proportion of employees older than 44 is 0.1587. This means that the statement "More employees at the processing center are older than 44 than between 38 and 44" is **false.**

1. A training program for employees under the age of 30 at the center would be expected to attract about 36 employees.

Ans:- True

1. If *X1* ~ *N*(μ, σ2) and *X*2 ~ *N*(μ, σ2) are *iid* normal random variables, then what is the difference between 2 *X*1 and *X*1 + *X*2? Discuss both their distributions and parameters.

Ans: Lets start the computing the distributions and parameters 2 *X*1 And *X*1 + *X*2.

2 X1: Since X1 ~ N(μ, σ^2), then 2 X1 ~ N(2μ, 4σ^2).

X1 + X2: Since X1 and X2 are independent and identically distributed, their sum follows a normal distribution with mean μ + μ = 2μ and variance σ^2 + σ^2 = 2σ^2.

Therefore, X1 + X2 ~ N(2μ, 2σ^2).

the distributions and parameters of 2 X1 and X1 + X2 are:

2 X1 ~ N(2μ, 4σ^2)

X1 + X2 ~ N(2μ, 2σ^2)

The distribution of 2 X1 has a larger variance and a different center than the distribution of X1 + X2.

1. Let X ~ N(100, 202). Find two values, *a* and *b*, symmetric about the mean, such that the probability of the random variable taking a value between them is 0.99.
2. 90.5, 105.9
3. 80.2, 119.8
4. 22, 78
5. 48.5, 151.5
6. 90.1, 109.9

ANS:- D.

**from** scipy **import** stats

**from** scipy.stats **import** norm

stats**.**norm**.**interval(0.99,100,20)

(48.48341392902199, 151.516586070978)

1. Consider a company that has two different divisions. The annual profits from the two divisions are independent and have distributions Profit1 ~ N(5, 32) and Profit2 ~ N(7, 42) respectively. Both the profits are in $ Million. Answer the following questions about the total profit of the company in Rupees. Assume that $1 = Rs. 45

Ques5\_ans\_set2.ipynb file

Ans - Mean Profit is Rs 540 Million

The Standard Deviation of both division: 225.0 Million

1. Specify a Rupee range (centered on the mean) such that it contains 95% probability for the annual profit of the company.

Ans- Range is Rs (99.00810347848784, 980.9918965215122) in Million

1. Specify the 5th percentile of profit (in Rupees) for the company

Ans- 5th percentile of profit (in Million Rupees) is 170.0

1. Which of the two divisions has a larger probability of making a loss in a given year?

Ans:- Division 1 has a larger Probability of making a loss.