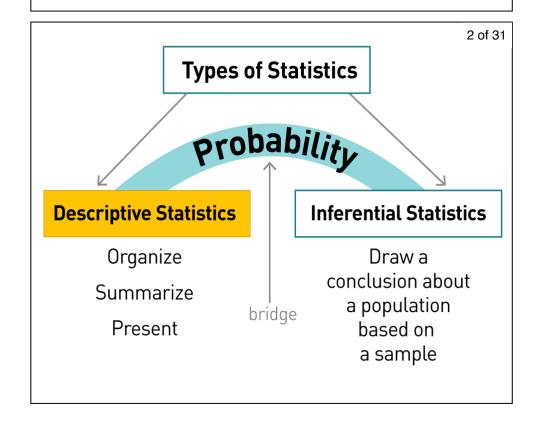
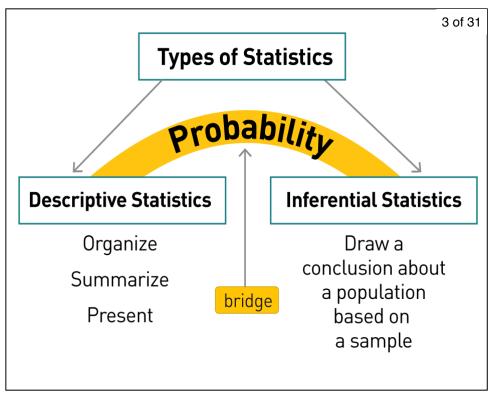
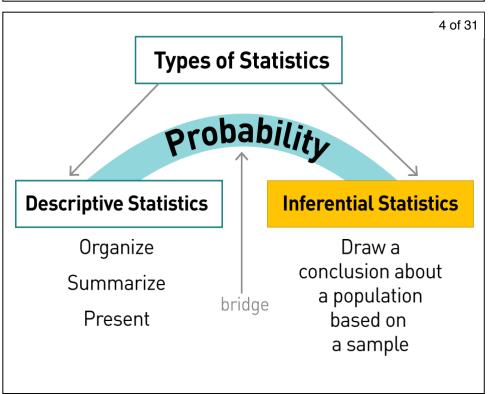
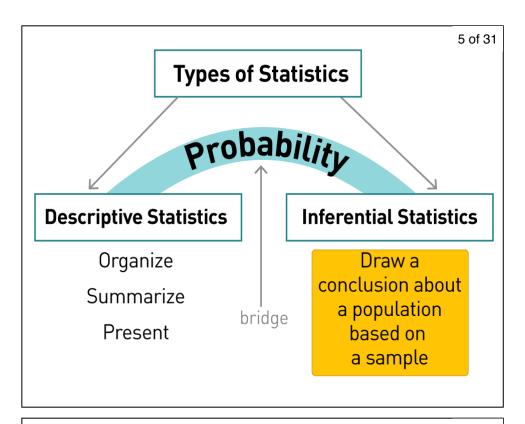
MBC 638

Data Analysis and Decision Making



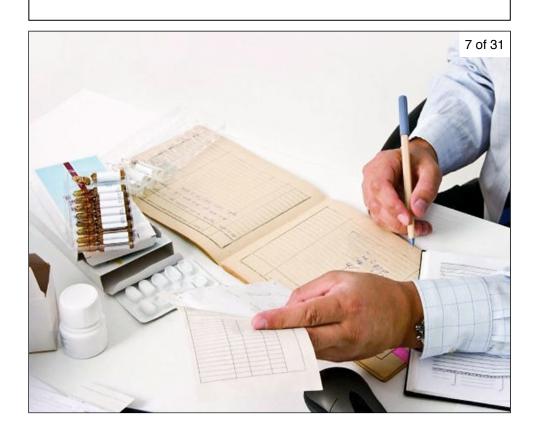






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Uses of Hypothesis Testing



Uses of Hypothesis Testing

- Hypothesis testing can tell us:
 - If two sets of data are really different

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Uses of Hypothesis Testing

- Hypothesis testing can tell us:
 - If two sets of data are really different
 - If population parameter varies from a standard

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Uses of Hypothesis Testing

- Hypothesis testing can tell us:
 - If two sets of data are really different
 - If population parameter varies from a standard
 - Probability of being right or wrong

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Uses of Hypothesis Testing

- Hypothesis testing can tell us:
 - If two sets of data are really different
 - If population parameter varies from a standard
 - o Probability of being right or wrong
 - Risk of making an incorrect decision

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Writing Hypothesis Statements

Null hypothesis

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Writing Hypothesis Statements

Null hypothesis

Alternative hypothesis

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Writing Hypothesis Statements

Null hypothesis

Alternative hypothesis

 H_0 : μ or σ = (or \leq , or \geq) a number

Null hypothesis

Alternative hypothesis

$$H_0$$
: μ or σ = (or \leq , or \geq) a number

$$H_0$$
: μ or σ = (or \leq , or \geq) a number H_a : μ or $\sigma \neq$ (or $<$, or $>$) a number

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Writing Hypothesis Statements

Null hypothesis

Alternative hypothesis

$$H_0$$
: μ or σ = (or \leq , or \geq) a number

$$H_a$$
: μ or $\sigma \neq$ (or <, or >) a number

Captures results of interest

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Writing Hypothesis Statements

Null hypothesis

Alternative hypothesis

$$H_0$$
: μ or σ = (or \leq , or \geq) a number

$$H_a$$
: μ or $\sigma \neq$ (or <, or >) a number

Captures "other" results

Captures results of interest

Null hypothesis

Alternative hypothesis

 H_0 : μ or σ = (or \leq , or \geq) a number

 H_a : μ or $\sigma \neq$ (or <, or >) a number

Captures "other" results

Captures results of interest

Locus of equality condition

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Writing Hypothesis Statements

Null hypothesis

Alternative hypothesis

 H_0 : μ or σ = (or \leq , or \geq) a number

 H_a : μ or $\sigma \neq$ (or <, or >) a number

Captures "other" results

Captures results of interest

Locus of equality condition

 H_0 : $\mu = 10$

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Writing Hypothesis Statements

Null hypothesis

Alternative hypothesis

 H_0 : μ or σ = (or \leq , or \geq) a number

 H_a : μ or $\sigma \neq$ (or <, or >) a number

Captures "other" results

Captures results of interest

Locus of equality condition

 H_a : $\mu ≠ 10$

 H_0 : $\mu = 10$

Null hypothesis

Alternative hypothesis

 H_0 : μ or σ = (or \leq , or \geq) a number

 H_a : μ or $\sigma \neq$ (or <, or >) a number

Captures "other" results

Captures results of interest

Locus of equality condition

 H_a : $\mu ≠ 10$

 H_0 : $\mu = 10$

 H_a : $\mu > 10$

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Writing Hypothesis Statements

Null hypothesis

Alternative hypothesis

 H_0 : μ or σ = (or \leq , or \geq) a number

 H_a : μ or $\sigma \neq$ (or <, or >) a number

Captures "other" results

Captures results of interest

Locus of equality condition

 H_a : $\mu ≠ 10$

 H_0 : $\mu = 10$

 H_a : $\mu > 10$

There is a difference!

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Writing Hypothesis Statements

Null hypothesis

Alternative hypothesis

 H_0 : μ or σ = (or \leq , or \geq) a number

 H_a : μ or $\sigma \neq$ (or <, or >) a number

Captures "other" results

Captures results of interest

Locus of equality condition

 H_a : $\mu \neq 10$

 H_0 : $\mu = 10$

 H_a : $\mu > 10$

There is *no* difference!

There is a difference!

Example: Hank the Handyman's Process

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Example: Hank the Handyman's Process

Did we really improve Hank's job ticket process?

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Example: Hank the Handyman's Process

Did we really improve Hank's job ticket process?

• H_a : $\mu_1 > \mu_2$

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The CLT gives us permission to use the normal distribution when we use population parameters.

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The CLT gives us permission to use the normal distribution when we use population parameters.

In this case, we compare mean time for job tickets moving through Hank's system.

Example: Hank the Handyman's Process (cont.)

Did we really improve Hank's job ticket process?

- $H_0: \mu_1 \le \mu_2$
- H_a : $\mu_1 > \mu_2$

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Example: Hank the Handyman's Process (cont.)

Did we really improve Hank's job ticket process?

- H_0 : $\mu_1 \le \mu_2$
- H_a : $\mu_1 > \mu_2$