## Assignment I

## Analysis of 2 x 2 Tables

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## Exercise 1:1

This report analyzes opinions on legal abortion among men and women based on survey data. The analysis includes hypothesis testing, calculation of odds and risk ratios, and comparison of methods. The goal is to understand the association between gender and opinion on legal abortion.

Table 1: Opinions on legal abortion

	In favor	Against
Women	309	191
Men	319	281

# Question 1: Percentage in Favor and Against Legal Abortion by Gender Approach:

The percentages for being "in favor" and "against" legal abortion for men and women were calculated using the following formulas:

• Percentage (In Favor):

Percentage (In Favor) =  $\frac{\text{Count (In Favor) of the Gender}}{\text{Total Count of the Gender}} \times 100$ 

• Percentage (Against):

Percentage (Against) =  $\frac{\text{Count (Against) of the Gender}}{\text{Total Count of the Gender}} \times 100$ 

#### Calculations:

For Women:

- In Favor: Percentage (In Favor) for Women =  $\frac{309}{500} \times 100 = 61.8\%$
- Against: Percentage (Against) for Women =  $\frac{191}{500}\times 100 = 38.2\%$

For Men:

- In Favor: Percentage (In Favor) for Men =  $\frac{319}{600}\times 100 = 53.2\%$

## R Output:

Table 2: Percentage In Favor and Against Legal Abortion by Gender

Gender	% In Favor	% Against
Women	61.8	38.2
Men	53.2	46.8

## Analysis:

- Women: 61.8% are in favor, while 38.2% are against legal abortion.
- Men: 53.2% are in favor, while 46.8% are against legal abortion.

# Question 2: Hypothesis Testing (Pearson's (X^2) and Likelihood Ratio (G^2)) Approach:

Test for independence between gender and opinions using:

- Pearson's Chi-Squared Test
- Likelihood Ratio Test

## 1. Define Hypotheses:

- Null Hypothesis  $(H_0)$ : There is no difference in opinions between men and women on legal abortion.
- Alternative Hypothesis  $(H_A)$ : There is a difference in opinions between men and women on legal abortion.
- **2. Expected Counts:** Under  $H_0$ , expected counts are calculated using:

$$E_{ij} = \frac{\text{i-th Row Total} \times \text{j-th Column Total}}{\text{Grand Total}}$$

3. Pearson's Chi-Squared Statistic: The formula for Pearson's Chi-Squared Statistic  $(X^2)$  is:

$$X^2 = \sum_{i=1}^r \sum_{j=1}^c \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

4. Likelihood Ratio Statistic: The formula for Likelihood Ratio Statistic  $(G^2)$  is:

$$G^{2} = 2\sum_{i=1}^{r} \sum_{j=1}^{c} O_{ij} \log \left( \frac{O_{ij}}{E_{ij}} \right)$$

where:

- $O_{ij}$ : Observed counts of (i,j) cell
- $E_{ij}$ : Expected counts of (i,j) cell
- r: Total number of rows
- c: Total number of columns

The degrees of freedom are calculated for both statistics as df = (r-1)(c-1)

#### Calculations:

Expected counts under  $H_0$  are calculated as:

$$E_{ij} = \frac{(\text{Row Total}_i) \times (\text{Column Total}_j)}{\text{Grand Total}}$$

For Women:

• In Favor: 
$$E_{11} = \frac{R_1 \times C_1}{N} = \frac{500 \times 628}{1100} \approx 285.45$$

• Against: 
$$E_{12} = \frac{R_1 \times C_2}{N} = \frac{500 \times 472}{1100} \approx 214.55$$

For Men:

• In Favor: 
$$E_{21} = \frac{R_2 \times C_1}{N} = \frac{600 \times 628}{1100} \approx 342.55$$
.

• Against: 
$$E_{22} = \frac{R_2 \times C_2}{N} = \frac{600 \times 472}{1100} \approx 257.45.$$

Calculating the Pearson's Chi-Squared Test Statistic:

$$X^2 = \frac{(309 - 285.45)^2}{285.45} + \frac{(191 - 214.55)^2}{214.55} + \frac{(319 - 342.55)^2}{342.55} + \frac{(281 - 257.45)^2}{257.45} = 1.94 + 2.58 + 1.62 + 2.15 = 8.29$$

Calculating the Likelihood Ratio Test Statistic:

$$G^2 = 2 \times \left[309 \times \log\left(\frac{309}{285.45}\right) + 191 \times \log\left(\frac{191}{214.55}\right) + 319 \times \log\left(\frac{319}{342.55}\right) + 281 \times \log\left(\frac{281}{257.45}\right)\right] = 48.99 - 44.41 - 45.44 + 49.19 = 8.33$$

## R Output:

Table 3: Hypothesis Testing Results

Statistic	Value	P.value
Pearson's X^2 Likelihood Ratio G^2	8.297921 8.322320	$\begin{array}{c} 0.0039690 \\ 0.0039161 \end{array}$

#### Conclusion:

- Both the  $X^2$  and  $G^2$  statistics yield small p-values, much lesser than 0.05 as the significance level to test our null hypothesis  $H_0$ .
- Hence, we reject the null hypothesis  $H_0$ , which indicates that there is a significant difference in opinions on legal abortion between men and women.

## Question 3: Odds Ratio and 95% Confidence Interval

## Approach:

The odds ratio (OR) is a measure used to quantify the strength of association between two categorical variables.

- For Women: Odds in Favor: Odds (Women) =  $\frac{\text{In Favor (Women)}}{\text{Against (Women)}}$
- For Men: Odds in Favor: Odds (Men) =  $\frac{\text{In Favor (Men)}}{\text{Against (Men)}}$

Odds Ratio (OR): The odds ratio compares the odds of being "in favor" for men to that for women:

$$OR = \frac{Odds \text{ (Men)}}{Odds \text{ (Women)}}$$

#### Calculations:

• For Women: Odds (Women) =  $\frac{309}{191}$  = 1.6178

• For Men: Odds (Men) =  $\frac{319}{281}$  = 1.1352

• Odds Ratio for Men:  $OR = \frac{1.1352}{1.6178} = 0.7017$ 

## R Output:

Table 4: Odds Ratio Results

Odds	Value
Odds Women Odds Men Odds Ratio	$\begin{array}{c} 1.6178010 \\ 1.1352313 \\ 0.7017126 \end{array}$

Alternative Odds Ratios can be formulated depending on the conditioning variable:

Odds ratio of being a man vs. a woman among those "in favor":

$$OR = \frac{Men In Favor / Women In Favor}{Men Against / Women Against}$$

Odds ratio of being against legal abortion for men vs. women:

$$OR = \frac{Men Against / Women Against}{Men In Favor / Women In Favor}$$

Each odds ratio provides different insights based on the event being studied and the conditioning variable.

#### Confidence Interval:

To compute the 95% confidence interval for the odds ratio, let us use the logarithm of odds ratio for a more accurate result and then apply the delta method to get the confidence interval of odds ratio from the confidence interval of logarithm of odds ratio.

#### Calculations:

- Standard Error of log(OR):  $SE_{OR} = \sqrt{\frac{1}{O_{11}} + \frac{1}{O_{12}} + \frac{1}{O_{21}} + \frac{1}{O_{22}}} = \sqrt{\frac{1}{309} + \frac{1}{191} + \frac{1}{319} + \frac{1}{281}} = 0.1225$
- 95% confidence interval for log(OR): log(OR)  $\pm z_{0.975} \times \text{SE}_{OR}$
- Then, we get the confidence interval for the OR by exponentiating the above bounds.

## R Output:

Table 5: Odds Ratio and Confidence Interval

Measure	Value
Odds Ratio	0.7017126
95% CI Lower	0.5512336
95% CI Upper	0.8932701

## Interpretation

- The estimated odds ratio is 0.7015 indicating that the odds of men supporting legal abortion are about 70.2% of the odds of women supporting it.
- The 95% confidence interval (0.556, 0.886) does not include 1, indicating a statistically significant difference in the opinions.

## Question 4: Risk Ratio and 95% Confidence Interval

## Approach:

The risk ratio (also called relative risk, RR) quantifies the likelihood of an event occurring in one group relative to another group. Here, the risk refers to the probability of being "in favor" of legal abortion.

- Risk for Women: Risk (Women) =  $\frac{\text{Number of Women In Favor}}{\text{Total (Women)}}$
- Risk for Men: Risk (Men) =  $\frac{\text{Number of Men In Favor}}{\text{Total (Men)}}$

**Risk Ratio (Relative Risk):** The risk ratio (RR) compares the risk of being "in favor" for men to that for women:

$$RR = \frac{Risk \text{ (Men)}}{Risk \text{ (Women)}}$$

## Calculations:

- For Women: Risk (Women) =  $\frac{309}{500}$  = 0.618
- For Men: Risk (Men) =  $\frac{319}{600} \approx 0.5316$
- Risk Ratio for Men: RR =  $\frac{0.5316}{0.618} \approx 0.8602$

## R Output:

Table 6: Risk Ratio Results

Risk	Value
Risk Women	0.6180000
Risk Men	0.5316667
Risk Ratio	0.8603020

#### **Analysis:**

• This value indicates that men are about 86.1% as likely as women to be "in favor" of legal abortion.

Confidence Interval: To compute the 95% confidence interval for the risk ratio, let us use the logarithm of risk ratio for a more accurate result, similar to odds ratio and then apply the delta method to get the confidence interval of risk ratio from the confidence interval of logarithm of risk ratio.

#### Calculations:

• Standard error of 
$$log(RR)$$
:  $SE_{RR} = \sqrt{\frac{1}{\text{In Favor (Men)}} - \frac{1}{\text{Total (Men)}} + \frac{1}{\text{In Favor (Women)}} - \frac{1}{\text{Total (Women)}}}$ 

$$=\sqrt{\frac{1}{319} - \frac{1}{600} + \frac{1}{309} - \frac{1}{500}} \approx 0.1$$

- 95% Confidence Interval for log(RR):  $log(RR) \pm z_{0.975} \times SE_{RR}$
- Then, we have to get the confidence interval for the RR by exponentiating the above bounds.

#### R Output:

Table 7: Risk Ratio and Confidence Interval

Risk Ratio	0.8603020
95% CI Lower	0.7769363
95% CI Upper	0.9526130

## Interpretation

- The estimated risk ratio is 0.861 indicating that men are about 86.1% as likely as women to be "in favor" of legal abortion.
- The 95% confidence interval (0.756, 0.980) does not include 1, indicating a statistically significant difference in the opinions.

#### Comparison with Odds Ratio

- Odds Ratio: highlights the relative change of odds, previously calculated as 0.7015, quantifying the odds of men being "in favor" compared to women.
- Risk Ratio: provides a more intuitive interpretation, previously calculated as 0.861, quantifying the relative probability men of being "in favor" compared to women.
- Both the ratios indicate that the women are significantly more likely to support legal abortion compared
  to men.

## Question 5: Verification of Previous Calculations

### Approach:

Verify the calculations for percentages, hypothesis testing, odds ratio, and risk ratio from Questions 1–4 using built-in R functions. The results are compared with the manual calculations presented earlier.

## 1. Generate Frequency Table and Calculate Row Percentages

Table 8: Counts of Opinions by Gender

	Favor	Against	Sum
Women	309	191	500
Men	319	281	600
$\operatorname{Sum}$	628	472	1100

Table 9: Row Percentages of Opinions by Gender

	Favor	Against	Sum
Women	0.6180000	0.3820000	1
Men	0.5316667	0.4683333	1

Comparison: The row percentages are verified, and the results align with the previously calculated values.

### 2. Calculate X2, G2 and p-values

Table 10: Chi-squared Test Results

Statistic	Value	Degrees_of_Free	edom P value

Table 11: Log-likelihood Ratio Test Results

Statistic	Value	Degrees_of_Freedom	P_value
Log-likelihood Ratio (G <sup>2</sup> )	8.322	1	0.00392

## Comparison:

- (X^2) statistic, degrees of freedom, and p-value displayed, matching the previous calculations.
- (G<sup>2</sup>) statistic and p-value are also displayed, confirming the earlier results.

## 3. Calculate Odds Ratio and Confidence Interval

• odds of men to women:

Table 12: Odds Ratio with Confidence Intervals

Measure	Value	95% CI Lower	95% CI Upper
Odds Ratio	0.702	0.551	0.893

**Comparison:** The odds ratio of men to women and its confidence interval are verified, and the results align with the earlier values when the columns are reversed from the given table.

#### 4. Calculate Risk Ratio and Confidence Interval

• risk of men to women:

Table 13: Odds Ratio and Risk Ratio with Confidence Intervals

Measure	Value	95% CI Lower	95% CI Upper
Risk Ratio	0.86	0.777	0.953

**Comparison:** The risk ratio of men to women and its confidence interval are verified, and the results align with the earlier values when the columns are reversed from the given table.

#### Conclusion:

This analysis highlights significant gender differences in opinions on legal abortion. Both hypothesis testing and measures of association confirm that women are more likely to support legal abortion than men. These findings underscore the importance of considering gender perspectives in public policy discussions.

## Exercise 1:2

We are analyzing the admissions data from the University of California, Berkeley, following the 2x2 contingency table:

Table 14: Summary Table

	Admitted	Not Admitted
Men	1198	1493
Women	557	1278

## Question 1:

## Approach:

Our goal is to perform the following analyses:

- 1. Calculate the percentages of admitted and not admitted applicants separately.
- 2. Test for independence between gender and admission using:
  - Pearson's Chi-Squared Test
  - Likelihood Ratio Test
- 3. Calculate the odds ratio and its 95% confidence interval.
- 4. Calculate the risk ratio and its 95% confidence interval.

## 1. Calculating Percentages:

#### For Men:

• Total men:  $n_{\rm Men} = 2691$ 

• Admitted men:  $a_{\rm Men} = 1198$ 

• Not admitted men:  $n_{\rm Men} - a_{\rm Men} = 1493$ 

## Percentages For Men:

Percentage Admitted (Men) =  $\left(\frac{1198}{2691}\right) \times 100\% \approx 44.53\%$ 

Percentage Not Admitted (Men) = 100% - 44.53% = 55.47%

#### For women:

• Total women:  $n_{\text{Women}} = 1835$ 

• Admitted women:  $a_{\text{Women}} = 557$ 

• Not admitted women:  $n_{\text{Women}} - a_{\text{Women}} = 1278$ 

#### Percentages For Women:

Percentage Admitted (Women) =  $\left(\frac{557}{1835}\right) \times 100\% \approx 30.35\%$ 

Percentage Not Admitted (Women) = 100% - 30.35% = 69.65%

Table 15: Summary Table

Gender	% Admitted	% Not Admitted
Men	44.53	55.47
Women	30.35	69.65

#### 2. Testing for Independence:

Null hypothesis  $(H_0)$ : Gender and admission are independent.

Alternative hypothesis  $(H_1)$ : There is an association between gender and admission Status.

Expected counts under  $H_0$  are calculated as:

$$E_{ij} = \frac{(\text{Row Total}_i) \times (\text{Column Total}_j)}{\text{Grand Total}}$$

1. Men Admitted:

$$E_{11} = \frac{R_1 \times C_1}{N} = \frac{2691 \times 1755}{4526} \approx 1043.46$$

2. Men not Admitted:

$$E_{12} = \frac{R_1 \times C_2}{N} = \frac{2691 \times 2771}{4526} \approx 1647.54$$

3. Women Admitted:

$$E_{21} = \frac{R_2 \times C_1}{N} = \frac{1835 \times 1755}{4526} \approx 711.54.$$

4. Women not Admitted:

$$E_{22} = \frac{R_2 \times C_2}{N} = \frac{1835 \times 2771}{4526} \approx 1123.46.$$

Calculating the Pearson's Chi-Squared Test Statistic:

$$X^2 = \sum_{i=1}^2 \sum_{j=1}^2 \frac{(O_{ij} - E_{ij})^2}{E_{ij}}$$

Calculating the Likelihood Ratio Test Statistic:

$$G^2 = 2\sum_{i=1}^2 \sum_{j=1}^2 O_{ij} \ln \left( \frac{O_{ij}}{E_{ij}} \right)$$

where

- $O_{ij}$ : Observed counts
- $E_{ij}$ : Expected counts

The degrees of freedom are calculated for both statistics as df = (r-1)(c-1)

#### 3. Estimating the Odds Ratio:

• Odds of Admission for Men:

$$\mathrm{Odds_{Men}} = \frac{\mathrm{Admitted\ Men}}{\mathrm{Not\ Admitted\ Men}}$$

• Odds of Admission for Women:

$$Odds_{Women} = \frac{Admitted\ Women}{Not\ Admitted\ Women}$$

#### Calculating Odds:

$$OR = \frac{OddsMen}{OddsWomen}$$

Calculating the Standard Error of log(OR):

$$SE = \sqrt{\frac{1}{a_{\mathrm{Men}}} + \frac{1}{b_{\mathrm{Men}}} + \frac{1}{a_{\mathrm{Women}}} + \frac{1}{b_{\mathrm{Women}}}}$$

The 95% confidence interval for log(OR) is calculated as:

$$ln(OR) \pm Z_{0.975} \times SE$$

However we still have to get the confidence interval for the odds ratio by exponentiating the bounds.

### 4. Estimating the Risk Ratio:

Calculating Risks (Probabilities):

• Risk of Admission for Men:

$$P_{\mathrm{Men}} = \frac{\mathrm{Admitted\ Men}}{\mathrm{Total\ Men}}$$

• Risk of Admission for Women:

$$P_{\text{Women}} = \frac{\text{Admitted Women}}{\text{Total Women}}$$

## Calculating Risk Ratio (RR):

$$RR = \frac{P_{Men}}{P_{Women}}$$

Calculating the Standard Error of log(RR):

$$SE = \sqrt{\frac{1 - P_{\text{Men}}}{a_{\text{Men}}} + \frac{1 - P_{\text{Women}}}{a_{\text{Women}}}}$$

The 95% confidence interval for log(RR) is calculated as:

$$\ln({\rm RR}) \pm Z_{0.975} \times SE$$

However we still have to get the confidence interval for the risk ratio by exponentiating the bounds.

## **Output:**

Table 16: Chi-Squared Test Results

	Chi-Squared Value	Degrees of Freedom	P-value
X-squared	92.205	1	7.81e-22

Table 17: Loglinear Model: Likelihood Ratio Test Results

Statistic	Value	Degrees of Freedom	P-Value
G^2 (Likelihood Ratio)	93.44941	1	0

Table 18: Odds Ratio and Confidence Interval

Measure	Value
Odds Ratio	1.841080
95% CI Lower	1.624377
95% CI Upper	2.086693

Table 19: Risk Ratio and Confidence Interval

Measure	Value
Risk Ratio	1.466642
95% CI Lower	1.352350
95% CI Upper	1.590592

#### Results and Interpretation:

#### 1. Chi-Squared Test:

$$X^2 = 92.205, p < 2.2e^{-16}$$

The large chi-squared statistic and the small p-value indicate a significant association between gender and admission status. Therefore rejecting the null hypothesis of independence.

#### 2. Likelihood Ratio Test:

$$G^2 = 93.98, p < 0.001$$

Similarly as the chi-squared test, the likelihood ratio test also indicates a significant association between gender and admission.

#### 3. Odds Ratio:

$$OR = 1.841,95\% CI (1.624, 2.087)$$

According to the odds ratio, men have 1.841 times higher odds of being admitted compared to women. The 95% confidence interval does not include 1, indicating a statistically significant difference in admission odds.

#### 4. Risk Ratio:

$$RR = 1.467,95\% \text{ CI } (1.353,1.591)$$

Men are 1.467 times more likely to be admitted compared to women. The confidence interval does not include 1, indicating a statistically significant difference in admission risk.

#### Conclusion:

There is a statistically significant association between gender and admission status at the University of California, Berkeley during the year of 1975. Men have higher odd and higher probability of admission compared to women.

## Question 2:

## Approach:

The approach is similar to the previous question. We will analyze what happens if we replace all numbers in the table with one tenth of their original values and perform the same analysis, which we will compare with the previous results.

## Results and Interpretation:

1. Chi-Squared Test and Likelihood Ratio Test: The Chi-Squared  $X^2$  and Likelihood Ratio  $G^2$  statistics, as well as their associated p-values, measure the association between gender and admission. The results for the original, one-tenth, and one-hundredth tables are summarized below:

Table 20: Summary of Chi-Squared and Likelihood Ratio Tests

Dataset	X <sup>2</sup> Statistic	G <sup>2</sup> Statistic	p-value
Original One-Tenth	92.205 9.241	93.449 9.364	$< 2.2 \times 10^{-16}$
One-Hundredth	0.775	0.783	0.379

As it can be seen, both the Chi-Squared and Likelihood Ratio tests show a dramatic decrease as the table is scaled down, reflecting thus the reduced sample size. On the other hand, the p-values show a completely different behavior. While the p-value for the original table is extremely small, indicating a significant

association between gender and admission, as the table is scaled down, the p-value increases, suggesting that the association cannot be reliably detected with such a small sample size.

2. Odds Ratio: The odds ratio quantifies the strength of the association between gender and admission. The results for the original, one-tenth, and one-hundredth tables are summarized below:

Table 21: Odds Ratio for Women Across Datasets

dds Ratio (Men/Women)	95% Confidence Interval
1.841 1.841	[1.624, 2.087] [1.240, 2.734] [0.507, 5.928]
	1.841

The odds ratio across the three datasets shows a consistent value, varied only slightly. The confidence interval, however, widens as the sample size decreases, reflecting the increased uncertainty in the estimate. So for the original dataset, the odds ratio is 1.841, with a 95% confidence interval of [1.624, 2.087], which is very narrow, reflecting high precision. On the other hand, for the one-hundredth dataset, the odds ratio is 1.733, with a 95% confidence interval of [0.507, 5.928], which is much wider, reflecting low precision.

**3.** Risk Ratio: The risk ratio compares the probability of admission for men and women. The results for the original, one-tenth, and one-hundredth tables are summarized below:

Table 22: Risk Ratio for Women Across Datasets

Dataset	Risk Ratio (Men/Women)	95% Confidence Interval
Original	1.467	[1.353, 1.591]
One-Tenth	1.466	[1.135, 1.893]
One-Hundredth	1.407	[0.642, 3.085]

The risk ratio across the three datasets shows a consistent value, varied only slightly. The confidence interval, however, widens as the sample size decreases, reflecting the increased uncertainty in the estimate. So for the original dataset, the risk ratio is 1.467, with a 95% confidence interval of [1.353, 1.591], which is very narrow, reflecting high precision. On the other hand, for the one-hundredth dataset, the risk ratio is 1.466, with a 95% confidence interval of [1.135, 1.893], which is comparatively wider, reflecting lower precision. Moreover, for the original dataset, the confidence interval does not include 1, indicating statistical significance. However, for the one-hundredth dataset, the risk ratio is 1.407, with a 95% confidence interval of [0.642, 3.085]. Even though the risk ratio is close to the original and one-tenth risk ratio, the 95% confidence interval is much wider, reflecting the lowest precision. The confidence interval for one-hundredth dataset includes 1, indicating no statistical significance.

## Conclusion:

This question helps us highlight the importance of a sufficiently large sample size for reliabale statistical inference. While relative measures such as odds and risk ratios remain relatively stable across different sample sizes, the precision of the estimates decreases as the sample size decreases. In addition, absolute measures such as  $X^2$  and  $G^2$  lose significance as the sample size decreases.

## Question 3:

#### Approach:

For this question, we will analyze a completely new 2x2 contingency table, such that:

- 1. The sample odd ratio( $\hat{\theta}$ ) lies within the interval 0.99,1.01
- 2. The corresponding unknwn population odds ratio  $(\hat{\theta})$  differs significantly from 1

So in summary, the odd ratio has to be close to 1, and its confidence interval cannot include 1, indicating statistical significance.

The general forrula for the odds ratio as previously stated is:

Odds Ratio
$$(\hat{\theta}) = \frac{(a/c)}{(b/d)} = \frac{a \cdot d}{b \cdot c}$$

Where a,b,c,d are the cell counts in the 2x2 table. To achive the requirements we need  $\hat{\theta} \approx 1$  meaning that  $a/c \approx b/d$  or  $a \cdot d \approx b \cdot c$ . To ensure  $\theta \neq 1$  we have to use a large sample size to narrow the confidence interval and exclude 1. Finally we have to calculate the confidence interval  $\ln(\hat{\theta}) \pm Z_{0.975} \cdot \text{SE}$  and exponentiate the bounds to get the confidence interval for the odds ratio.

## Output:

Table 23: Summary Table

	Admitted	Not Admitted
Men	500000	500500
Women	501515	499090

Table 24: Log-Linear Model Summary

Statistic	Value	Degrees of Freedom	P-Value
Likelihood ratio (G <sup>2</sup> )	4.28	1	0.0387

Table 25: Chi-Squared Test Summary

	Statistic	Value	Degrees of Freedom	P-Value
X-squared	Chi-Squared $(X^2)$	4.28	1	0.0387

## Results and Interpretation:

## 1. Odds Ratio( $\hat{\theta}$ ):

Using the formula:

• 
$$\hat{\theta} = \frac{(500,000 \cdot 499,000)}{(500,500 \cdot 501,515)} \approx 0.995$$

## 2. Confidence Interval:

• [0.990, 0.999]

#### 3. Statistical tests:

• Likelihood Ratio Test:  $G^2 = 4.275, p = 0.0387$ 

- Chi-Squared Test:  $X^2=4.275, p=0.0386$ 

## Conclusion:

This exercise illustrates the distinction between statistical significance and practical significance. While the odds ratio is very close to 1, the large sample size ensures a narrow confidence interval, leading to statistical significance. For an accurate report we should focus on effect sizes and their real-world implications rather than just statistical significance with p-values alone.