Name: _____

1. Dunder Mifflin recently expanded its supply to include not just paper, but also copiers. David Wallace, the chief financial officer, claims that the expansion is a smashing success, with the copier production process producing defective parts only 0.7% of the time.

   Michael Scott is not superstitious... but he is a little stitious. He believes that David Wallace's claim is incorrect. He randomly selects 750 copier parts and finds 12 that are defective. Do these data provide evidence at the 10% level that the proportion of defective copier parts is **not** 0.7%?

   (a) Define the **parameter** of interest and state the **hypotheses**.

   (b) Verify that the necessary **assumptions** hold.

   (c) Calculate the appropriate **test** statistic. Show your work.

   (d) Find the **rejection region**. Include a sketch showing where your test statistic falls relative to the RR.

   (e) Use the results of the test to provide **support** for your decision about the null hypothesis.

   (f) **Summarize** the results of your hypothesis test in context.

2. As regional co-manager of Dunder Mifflin, Jim suggests using the p-value approach to double check behind Michael. Find the appropriate p-value (use appropriate probability notation) and provide support for a decision about H_0. Does your conclusion change at all?