44. *BusinessWeek* surveyed MBA alumni 10 years after graduation (*BusinessWeek*, September 22, 2003). One finding was that alumni spend an average of $115.50 per week eating out socially. You have been asked to conduct a follow-up study by taking a sample of 40 of these MBA alumni. Assume the population standard deviation is $35.

   a. Show the sampling distribution of $\bar{x}$, the sample mean weekly expenditure for the 40 MBA alumni.

   b. What is the probability the sample mean will be within $10 of the population mean?

   c. Suppose you find a sample mean of $100. What is the probability of finding a sample mean of $100 or less? Would you consider this sample to be an unusually low spending group of alumni? Why or why not?

20. Is your favorite TV program often interrupted by advertising? CNBC presented statistics on the average number of programming minutes in a half-hour sitcom (CNBC, February 23, 2006). The following data (in minutes) are representative of their findings.

21.06	22.24	20.62
21.66	21.23	23.86
23.82	20.30	21.52
21.52	21.91	23.14
20.02	22.20	21.20
22.37	22.19	22.34
23.36	23.44	

Assume the population is approximately normal. Provide a point estimate and a 95% confidence interval for the mean number of programming minutes during a half-hour television sitcom.

50. Mileage tests are conducted for a particular model of automobile. If a 98% confidence interval with a margin of error of 1 mile per gallon is desired, how many automobiles should be used in the test? Assume that preliminary mileage tests indicate the standard deviation is 2.6 miles per gallon.

43.) Eagle Outfitters is a chain of stores specializing in outdoor apparel and camping gear. They are considering a promotion that involves mailing discount coupons to all their credit card customers. This promotion will be considered a success if more than 10% of those receiving the coupons use them. Before going national with the promotion, coupons were sent to a sample of 100 credit card customers.

a.) develop hypotheses that can be used to test whether the population proportion of those who will use the coupons is sufficient to go national

b.) the file eagle contains the sample data. Develop a point estimate of the population proportion

c.) use a=.05 to conduct your hypothesis test. Should Eagle go national with the promotion?

Case Problem 1   Quality Associates, Inc.

Quality Associates, Inc., a consulting firm, advises its clients about sampling and statisti-cal procedures that can be used to control their manufacturing processes. In one particular application, a client gave Quality Associates a sample of 800 observations taken during a time in which that client's process was operating satisfactorily. The sample standard devi-ation for these data was .21; hence, with so much data, the population standard deviation was assumed to be .21. Quality Associates then suggested that random samples of size 30 be taken periodically to monitor the process on an ongoing basis. By analyzing the new samples, the client could quickly learn whether the process was operating satisfactorily. When the process was not operating satisfactorily, corrective action could be taken to elim-inate the problem. The design specification indicated the mean for the process should be 12. The hypothesis test suggested by Quality Associates follows.

$$H_0: \mu = 12$$
$$H_a: \mu \neq 12$$

Corrective action will be taken any time H_0 is rejected.

The following samples were collected at hourly intervals during the first day of operation of the new statistical process control procedure. These data are available in the data set Quality.

CD file

Quality

Sample 1	Sample 2	Sample 3	Sample 4
11.55	11.62	11.91	12.02
11.62	11.69	11.36	12.02
11.52	11.59	11.75	12.05
11.75	11.82	11.95	12.18
11.90	11.97	12.14	12.11
11.64	11.71	11.72	12.07
11.80	11.87	11.61	12.05
12.03	12.10	11.85	11.64
11.94	12.01	12.16	12.39
11.92	11.99	11.91	11.65
12.13	12.20	12.12	12.11
12.09	12.16	11.61	11.90
11.93	12.00	12.21	12.22
12.21	12.28	11.56	11.88
12.32	12.39	11.95	12.03
11.93	12.00	12.01	12.35
11.85	11.92	12.06	12.09
11.76	11.83	11.76	11.77
12.16	12.23	11.82	12.20
11.77	11.84	12.12	11.79
12.00	12.07	11.60	12.30
12.04	12.11	11.95	12.27
11.98	12.05	11.96	12.29
12.30	12.37	12.22	12.47
12.18	12.25	11.75	12.03
11.97	12.04	11.96	12.17
12.17	12.24	11.95	11.94
11.85	11.92	11.89	11.97
12.30	12.37	11.88	12.23
12.15	12.22	11.93	12.25

Managerial Report

1. Conduct a hypothesis test for each sample at the .01 level of significance and determine what action, if any, should be taken. Provide the test statistic and p-value for each test.
2. Compute the standard deviation for each of the four samples. Does the assumption of .21 for the population standard deviation appear reasonable?
3. Compute limits for the sample mean $\bar{x}$ around $\mu = 12$ such that, as long as a new sample mean is within those limits, the process will be considered to be operating satisfactorily. If $\bar{x}$ exceeds the upper limit or if $\bar{x}$ is below the lower limit, corrective action will be taken. These limits are referred to as upper and lower control limits for quality control purposes.
4. Discuss the implications of changing the level of significance to a larger value. What mistake or error could increase if the level of significance is increased?