

1. **Confidence intervals versus hypothesis tests.** Suppose we gather data from an unknown distribution which we can assume to be normal. If we have $n = 10\,000$, $\bar{X} = 100$ and $s^2 = 4$, then

- (a) Find a 99% confidence interval for μ .
- (b) Find a 99% one-sided confidence interval for an upper bound for μ .

For what values of μ_0 would we reject (at 99%) the null hypothesis $\mu = \mu_0$

- (c) with the alternate hypothesis $\mu \neq \mu_0$?
- (d) with the alternate hypothesis $\mu > \mu_0$?

This provides another interpretation of confidence intervals.

Here's a partial z -table for your use

α	0.050	0.025	0.020	0.010	0.005	0.001
z_α	1.645	1.960	2.054	2.326	2.576	3.090

2. **Understanding confidence intervals.** Suppose we're using a confidence interval to estimate a mean. What happens to the interval if

- (a) Our confidence level increases?
- (b) n increases, assuming everything else is constant?
- (c) s^2 increases, assuming everything else is constant?
- (d) \bar{X} increases, assuming everything else is constant?
- (e) we scale all the data by a constant multiple?