

ECO240 Quiz 1 (March 9, 2018)

ID:

Name:

A Health Insurance Company samples 100 insurance claims each day to observe abnormal activities. They know that the population mean amount of insurance claims is 5000 TL while the population standard deviation is 1000 TL. Answer the following questions.

(a) What is the range (acceptance interval) within which the sample mean is likely to be observed? Work with 88% confidence level.

(b) What is the probability that the sample mean exceeds 5500 TL?

(c) What is the value of the **sample standard deviation** such that 95% of the **sample standard deviation** would be below this value?