

**(10.2) (a)** It might be helpful to have clear null and alternative hypotheses in mind. Therefore, let  $H_0$  be “the drug dosage level induces sleep in 80% of people suffering from insomnia” and let  $H_A$  be “the drug dosage level induces sleep in less than 80% of people suffering from insomnia.” Hence, a Type I error (reject  $H_0$  when  $H_0$  is true) occurs if the experimenter concluded that the drug dosage level induces sleep in less than 80% of the people suffering from insomnia when, in fact, drug dosage level does induce sleep in 80% of insomniacs.

**(b)** We find that the significance level  $\alpha$  is given by

$$\begin{aligned}\alpha = P(\text{Type I error}) &= P_{H_0}(\text{reject } H_0) = P(Y \leq 12 | p = 0.8) = \sum_{k=0}^{12} \binom{20}{k} 0.8^k 0.2^{20-k} \\ &\approx 0.032.\end{aligned}$$

**(c)** A Type II error occurs if the experimenter concluded that the drug dosage level induces sleep in 80% of the people suffering from insomnia when, in fact, fewer than 80% of insomniacs experience relief.

**(d)** When  $p = 0.6$ , we find

$$\begin{aligned}\beta = P(\text{Type II error}) &= P_{H_A}(\text{accept } H_0) = P(Y > 12 | p = 0.6) = \sum_{k=13}^{20} \binom{20}{k} 0.6^k 0.4^{20-k} \\ &\approx 0.416.\end{aligned}$$

**(e)** When  $p = 0.4$ , we find

$$\begin{aligned}\beta = P(\text{Type II error}) &= P_{H_A}(\text{accept } H_0) = P(Y > 12 | p = 0.4) = \sum_{k=13}^{20} \binom{20}{k} 0.4^k 0.6^{20-k} \\ &\approx 0.021.\end{aligned}$$

**(10.3) (a)** We must find  $c$  so that  $P(Y \leq c | p = 0.8) \approx 0.01$ . From Table 1 in the appendix, we find that  $c = 11$  suffices. (In fact, to the accuracy allowed by the table,  $P(Y \leq 11 | p = 0.8) = 0.01$ .)

**(b)** With the rejection region given as  $\{Y \leq 11\}$ , we find that for  $p = 0.6$ ,

$$\beta = P(Y > 11 | p = 0.6) = \sum_{k=12}^{20} \binom{20}{k} 0.6^k 0.4^{20-k} \approx 0.596.$$

**(c)** With the rejection region given as  $\{Y \leq 11\}$ , we find that for  $p = 0.4$ ,

$$\beta = P(Y > 11 | p = 0.4) = \sum_{k=12}^{20} \binom{20}{k} 0.4^k 0.6^{20-k} \approx 0.057.$$