

Confidence Intervals for Proportions

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More often than not it will be impossible to survey the entire population:

- Often no complete list of the members of the population exists
- There may be no way of locating all of the members of the population
- The members of the population may not want to be identified
- The members of the population may not answer truthfully to protect themselves

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- Each individual selected is assigned a value of zero or one
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$$\bar{x} = \frac{x_1 + x_2 + \cdots + x_n}{n}$$

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The standard deviation of \hat{p} is given by:

$$SD_{\hat{p}} = \sqrt{\frac{\hat{p}(1 - \hat{p})}{n}}$$

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We treat the sample mean as a single observation drawn from a bell curve population with:

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Once the value of α is determined, the **confidence level** is stated as

$$100(1 - \alpha)$$

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The correct interpretation of the meaning of the confidence interval is the following:

If the sample was drawn over and over again and each time a confidence interval with $\alpha = 0.05$ is constructed, this interval will contain the true population parameter 95% of the time.

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The same problems that usually prevent us from doing a complete survey of a population also apply to the problem of estimating a mean.

As with proportions, sampling is usually a practical way to get around these problems.

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If we can assume we know the true standard deviation, the confidence interval for the mean has the familiar form involving adding and subtracting

$$z_{\alpha} \cdot SD_{\bar{x}}$$

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If we estimate the standard deviation from the sample, the confidence interval uses the *Student's t* distribution,

$$t_{\alpha} \cdot SD_{\bar{x}}$$