

# Tests of Significance

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We know that the average speed on Route 495 is 81 mph.

We know that 2% of the population is homeless.

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You ask me to show you the coin and for five dollars I offer to toss the coin and tell you the outcome

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I toss the coin, and tell you the result was tails.

You now know for sure that I have a normal coin.

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In fact, unless tails comes up, you can *never* be certain that it is not a fair coin.

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You pay the money, I toss the coin, and it comes up heads.

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You still aren't sure which coin I have.

However, the probability of two heads in a row with a fair coin is  $1/4$ .

You pay another five dollars, and the coin comes up heads.

Now the probability of heads coming up three times in three tosses is  $1/8$ .

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We can continue this indefinitely, but at some point you will run out of money.

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This is because the more tosses, the smaller the probability that they all come up heads.

While you can't be sure you are right if you say the coin has two heads, you can say that the probability you are wrong gets smaller with each toss.

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This is actually very similar to the confidence interval problem.



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The procedure works this way. A claim is made about some measurable quantity.

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Another way to describe the null hypothesis is that it is the status quo, if there is no effect.

The opposite position on the issue is called the *alternative hypothesis*

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The alternate hypothesis might be that they are outside the range expected.

It could also be that they are worse.

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