



Hypothesis

STATEMENT ABOUT PARAMETERS IN A POPULATION OR POPULATIONS. WE WANT TO KNOW HOW LIKELY THIS IS TO BE TRUE, GIVEN THE EVIDENCE (DATA)

FOR EXAMPLE

1. AVERAGE NUMBER OF BEDS FILLED PER DAY IN THE HOSPITAL
2. AVERAGE NUMBER OF MINUTES PER DAY THE DOCTOR SPENDS WITH A PATIENT
3. AVERAGE LEAD CONTENT OF WATER FOR A HOUSING PROJECT

Null hypothesis

— H_0 —THE HYPOTHESIS TO BE TESTED. THIS IS USUALLY A STATEMENT OF NO DIFFERENCE. THE POPULATION VALUE OF THE PARAMETER IS NOT DIFFERENT FROM SOME SPECIFIED VALUE.

Alternative hypothesis

— H_1 OR H_A —THIS IS THE STATEMENT WE WILL ACCEPT IF WE REJECT THE NULL HYPOTHESIS.

Results of Test	Test of hypothesis	
	Truth	
	H_0	H_1
Accept H_0	Correct decision	Type II error
Reject H_0	Type I error	Correct decision

Type I error

is the probability of rejecting H_0 when H_0 is true.

Type II error

is the probability of accepting H_0 when H_1 is true.

Level of significance

Alfa “Probability of a Type I error. This is the area under the curve below (or above) the critical value.

This is the probability of rejecting H_0 when H_0 is true.

beta” Probability of a Type II error.

1-beta—Power of a test. This is the $\Pr(\text{rejecting } H_0 | H_1 \text{ is true})$.

alfa (0.05 or 0.01)

Acceptance Region These are the values of X for which H_0 is accepted.

Rejection Region—These are the values of X for which H_0 is rejected.

