

Self-Check 10.1, 10.3

Name: _____ Date: _____ Row: _____

Self-Check 10.1, 10.3

1. Weighted alpha is a measure of risk-adjusted performance of stocks over a period of a year. A high positive weighted alpha signifies a stock whose price has risen while a small positive weighted alpha indicates an unchanged stock price during the time period. Weighted alpha is used to identify companies with strong upward or downward trends. The weighted alpha for the top 30 stocks of banks in the northeast and in the west as identified by Nasdaq on May 24, 2013 are listed below.

Northeast: 94.2; 75.2; 69.6; 52.0; 48.0; 41.9; 36.4; 33.4; 31.5; 27.6; 77.3; 71.9; 67.5; 50.6; 46.2;

38.4; 35.2; 33.0; 28.7; 26.5; 76.3; 71.7; 56.3; 48.7; 43.2; 37.6; 33.7; 31.8; 28.5; 26.0

West: 126.0; 70.6; 65.2; 51.4; 45.5; 37.0; 33.0; 29.6; 23.7; 22.6; 116.1; 70.6; 58.2; 51.2; 43.2;

36.0; 31.4; 28.7; 23.5; 21.6; 78.2; 68.2; 55.6; 50.3; 39.0; 34.1; 31.0; 25.3; 23.4; 21.5

1. Null and Alternative Hypothesis
2. Calculator Work
3. Test Statistic and P-Value
4. Conclusion about the null hypothesis
5. Final conclusion that addresses the original claim
6. Test the above claim by constructing an appropriate confidence interval.

1

Self-Check 10.1, 10.3

2. Two types of valves are being tested to determine if there is a difference in pressure tolerances. Fifteen out of a random sample of 100 of Valve A cracked under 4,500 psi. Six out of a random sample of 100 of Valve B cracked under 4,500 psi. Test at a 5% level of significance.

1. Null and Alternative Hypothesis
2. Calculator Work
3. Test Statistic and P-Value
4. Conclusion about the null hypothesis
5. Final conclusion that addresses the original claim
6. Test the above claim by constructing an appropriate confidence interval.

Self-Check 10.1, 10.3 is shared under a [not declared](#) license and was authored, remixed, and/or curated by LibreTexts.