

Q 2.1.  $\because n=100 \gg 1$ , a 95% CI for  $\mu_x$  is  $\bar{X}_n \pm 1.96 \sqrt{\frac{S_x^2}{n}}$

By the study data, it is  $(-0.09, 4.23)$

Q 2.2. It's equivalent to test on  $H_0: \mu_x = 0$  vs  $H_1: \mu_x \neq 0$

Consider  $Z = \frac{\bar{X}_n}{\sqrt{\frac{S_x^2}{n}}} \underset{H_0}{\sim} N(0,1)$  approximately

$$\therefore P_{H_0}(|Z| > 1.96) = 0.05, \quad Z_{obs} = \frac{2.07}{\sqrt{\frac{121.63}{100}}} \doteq 1.88$$

$\Rightarrow$  Do not reject  $H_0$ .

Q 2.3. (i) There appears no strong evidence against  $H_0$  at the significance level of  $\alpha=0.05$  from either of Q 2.1 and Q 2.2.

(ii)  $\because n=100$ , the inference procedures in Q 2.1 and Q 2.2. don't require the normal approximation

Q 2.4. Consider a testing procedure for a one-sided alternative:  $H_0: \mu_U = \mu_V$  vs  $H_1: \mu_U > \mu_V$