Homework Solutions
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Exercise 21

(a) The point estimate is $\hat{p} = 0.70$. The 95% confidence interval for p is

$$\hat{p} \pm z\sqrt{\frac{\hat{p}(1-\hat{p})}{n}} = 0.70 \pm 1.960\sqrt{\frac{(0.70)(0.30)}{780}}$$
$$= 0.70 \pm 0.0322.$$

(b) p represents the proportion of *all* operating vehicles that are equipped with air bags.