

Homework Solutions

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Exercise 7

(a) The hypotheses are

H_0 : Brand A and Brand B both produce the same yield.

H_1 : Brand B produces a higher yield than Brand A.

(b) A Type I error would be to conclude that Brand B produces a higher yield than Brand A when, in fact, they produce the same yield. A Type II error would be to conclude that both brands produce the same yield when, in fact, Brand B produces a higher yield than Brand A.