David Youngberg BSAD 210—Montgomery College

LECTURE 13: HYPOTHESIS TESTING II

- I. Steps for doing hypothesis testing
 - a. Calculate (see flow chart, below)
 - i. Determine if it's a proportion or not a proportion.
 - ii. If it's not a proportion, determine if σ is known or unknown.
 - b. Finding critical or p-value
 - i. Determine if you're using t or z (again, see flow chart).
 - ii. Determine if the problem is a one-tailed or two-tailed test.
 - iii. Determine significance level.
 - iv. Look up the critical value or the p-value
 - 1. <u>For critical values</u>: use given z values, T.INV, or T.INV.2T. Always take the absolute value.
 - 2. <u>For p-values</u>: make calculated value negative and use NORM.DIST or T.DIST. Double result if two-tailed.
 - c. Compare
 - i. Statistical significance if calculated value > critical value.
 - ii. Statistical significance if p-value $< \alpha$.
- II. Flowchart



III. Group Work

- a. Break into groups of three or four. Each group will practice work. Complete as much as you can.
- b. <u>Here</u> is the practice work.