• How to Interpret the Coefficient of Determination, R^2 :

% of the variation in <u>dependent variable</u> is accounted for by the linear relationship with <u>independent variable</u>.

Solution How to Interpret a *p*-value for a Test of Significance:

(Note that the p-value is a conditional probability. A low probability indicates that the given condition (H_0) is not likely to be true and therefore should be rejected.)

Assuming <u>null hypothesis</u> is true, about ______ out of every ______ samples will produce a <u>statistic</u> at least this extreme due to chance variation.

OR

Assuming <u>null hypothesis</u> is true, the probability that our sample would produce a <u>statistic</u> at least as extreme as the one we observed is about <u>p-value</u>. This is (or is not, if p-value is high) too unlikely to have occurred by chance.

So How to Write a Conclusion for a Test of Significance:

(Note that the conclusion should always be stated in terms of the alternative hypothesis, whether the null was rejected or not. The p-value either provides enough evidence to support the alternative hypothesis, or it does not provide enough evidence to support the alternative hypothesis.)

For a one-sample one-sided test:

There is (or is not, if you fail to reject H_0) strong enough evidence to conclude that <u>parameter</u> is significantly higher (or lower, if the alternative is "less than") than <u>**p**</u>₀.

For a one-sample two-sided test:

There is (or is not, if you fail to reject H_0) strong enough evidence to conclude that <u>parameter</u> is significantly different than <u>p</u>₀.

For a two-sample one-sided test:

There is (or is not, if you fail to reject H_0) strong enough evidence to conclude that <u>parameter #1</u> is significantly higher (or lower, if the alternative is "less than") than <u>parameter #2</u>.

For a two-sample two-sided test:

There is (or is not, if you fail to reject H_0) strong enough evidence to conclude that there is a significant difference between **parameter #1** and **parameter #2**.

Solution How to Interpret a Confidence Interval:

(Note that the sample statistic is always at the center of the interval, and that the margin of error is half the width of the interval.)

For a one-sample interval:

We are \underline{C} % confident that <u>parameter</u> is between about <u>lowerbound</u> and <u>upperbound</u> <u>units</u> because \underline{C} % of all samples of size <u>n</u> will produce a <u>statistic</u> that is within <u>ME</u> of the true <u>parameter</u>.

OR

We are \underline{C} % confident that <u>parameter</u> is between about <u>lowerbound</u> and <u>upperbound</u> <u>units</u> because \underline{C} % of all samples of size <u>n</u> will produce a confidence interval that captures the true <u>parameter</u>.

For a two-sample interval:

We are \underline{C} % confident that **parameter #1** is between about **lowerbound** and **upperbound units** more than (or less than) **parameter #2** because \underline{C} % of all samples of size \underline{n} will produce an observed difference that is within \underline{ME} of the true difference.

OR

We are \underline{C} % confident that **parameter #1** is between about **lowerbound** and **upperbound units** more than (or less than) **parameter #2** because \underline{C} % of all samples of size \underline{n} will produce a confidence interval that captures the true difference.

OR

We are \underline{C} % confident that the difference between <u>parameter #1</u> and <u>parameter #2</u> is between about <u>lowerbound</u> and <u>upperbound</u> <u>units</u> because \underline{C} % of all samples of size <u>n</u> will produce an observed difference that is within <u>ME</u> of the true difference. OR

We are \underline{C} % confident that the difference between <u>parameter #1</u> and <u>parameter #2</u> is between about <u>lowerbound</u> and <u>upperbound</u> <u>units</u> because \underline{C} % of all samples of size <u>n</u> will produce a confidence interval that captures the true difference.