

STAT203 Homework #3

This assignment concerns Section 2.2, which will be included on Quiz 1 on 9/18/08; students are requested to make a copy of their solutions in order to study for the Quiz – solutions to this assignment will be distributed to students when the assignment is turned in on 9/16.

Due: Tuesday, September 16th at 11.30am

Directions: Solve the following exercises and write or type up your solutions very neatly showing all work.

| Page(s) in text | Exercise(s) |
|-----------------|--|
| p. 57 | # 2.2-2 |
| p. 57 | # 2.2-4: please note that X here is the amount of the insurer's loss and this is used to find the value of c ; on the other hand, the second part of the question concerns the expected value of the amount the insurance company must pay (after the deductible of one unit). For the second part of the question, do not report $E(X)$. |
| p. 58 | # 2.2-8 |
| p. 59 | # 2.2-12 |