

1. Lupus is a medical phenomenon where antibodies that are supposed to attack foreign cells to prevent infections instead see plasma proteins as foreign bodies, leading to a high risk of blood clotting. It is believed that 2% of the population suffer from this disease. The test is 98% accurate if a person actually has the disease. The test is 74% accurate if a person does not have the disease. There is a line from the Fox television show *House* that is often used after a patient tests positive for lupus: “It’s never lupus.” Do you think there is truth to this statement? Use appropriate probabilities to support your answer.
2. At a university, 13% of students smoke.
  - (a) Calculate the expected number of smokers in a random sample of 100 students from this university.
  - (b) The university gym opens at 9 am on Saturday mornings. One Saturday morning at 8:55 am there are 27 students outside the gym waiting for it to open. Should you use the same approach from part (a) to calculate the expected number of smokers among these 27 students?
3. Consider the following card game with a well-shuffled deck of cards. If you draw a red card, you win nothing. If you get a spade, you win \$5. For any club, you win \$10 plus an extra \$20 for the ace of clubs.
  - (a) Define a random variable that describes the amount you win at this game, with the possible values that it can take along with their probabilities. Also, find the expected winnings for a single game and the standard deviation of the winnings.
  - (b) What is the maximum amount you would be willing to pay to play this game? Explain your reasoning.
4. An airline charges the following baggage fees: \$25 for the first bag and \$35 for the second. Suppose 54% of passengers have no checked luggage, 34% have one piece of checked luggage and 12% have two pieces. We suppose a negligible portion of people check more than two bags.
  - (a) Define a random variable that describes the baggage fee revenue for a single passenger, with the possible values that it can take along with their probabilities. The compute the average revenue per passenger, and compute the corresponding standard deviation.
  - (b) About how much revenue should the airline expect for a flight of 120 passengers? With what standard deviation? Note any assumptions you make and if you think they are justified.
5. **Reading** Please read this Wikipedia Article: [https://en.wikipedia.org/wiki/Monty\\_Hall\\_problem](https://en.wikipedia.org/wiki/Monty_Hall_problem). Were you surprised/incredulous at Marilyn’s solution? If you were to explain the solution to a friend, which of the offered explanations do you find the most succinct/convincing?