

# Business Statistics Mr. Nelson

## BEFORE STARTING A TEST OF SIGNIFICANCE - Means

Before starting the procedure, assemble the sample data in a single column and calculate the following:

Sample mean  $\bar{X}$  (using Excel's "average" formula) and the sample standard deviation  $S_x$  (using Excel's formula "STDEV.S").

Select a null hypothesis value ( $\mu_0$ ) (the assumed value of the population mean to which the sample mean will be compared).

Select a significance level % ( $\alpha$ ) (usually between 1% to 10%).

Lastly, you will need the name of the population, and quantitative variable.

### EXAMPLE DATA:

$$\bar{X} = \$93.54$$

$$S_x = 22.3$$

$$\mu_0 = \$89.00$$

$$\alpha = 5\%$$

$$n = 36$$

Population Female Granada Hills Charter High School students

Quantitative Variable Amount spent on shopping in the last month (\$Dollars)

[RETURN](#) to Example Step One