HW #2 pg 360

14 a) The company has collected 5 payments of $250 each and has to pay out $100,000

b) 0.99058

c) $\mu_y = \$303.35$ If company insures many ppl, they will make about $303.35 per life insurance policy, on avg.

20 a) Both distributions skewed right. center for "family" distribution greater than "household". Event $X=1$ has higher probability in "household" distribution

b) Household: $\mu_x = 2.6$ ppl Family: $\mu_y = 3.14$ ppl
Family mean higher bc no values equal to 1 in family distribution but value of 1 common in household

c) $\sigma_x = 1.421$ # of ppl in a randomly selected household will typically differ from mean (2.6) by about 1.421 ppl

$\sigma_y = 1.249$ " " mean (3.14) by about 1.421 ppl

28 b