Name:_____   Math 130 Day 16 In Class Worksheet

Date: Sections 10.1 and 10.3: Hypothesis Tests for a Population Mean

1. **Credit Scores** A fair Isaac Corporation (FICO) score is used by credit agencies (such as mortgage companies and banks) to assess the creditworthiness of individuals. Its value ranges from 300 to 850. An individual with a FICO score over 700 is considered to be a quality credit risk. According to Fair Isaac Corporation, the mean FICO score is 703.5. A credit analyst wondered whether high-income individuals (incomes in excess of $100,000 per year) had higher credit scores. He obtained a random sample of 40 high-income individuals and found the sample mean credit score to be 714.2 with a standard deviation of 83.2. Conduct the appropriate test to determine if high-income individuals have higher FICO scores at the $\alpha = 0.05$ level of significance.