

HW #5

Please, write clearly and justify all your steps, to get proper credit for your work.

(1)[3 Pts] On average, 2.5 telephone calls per minute are received at the UH's switchboard. Assuming that the number of incoming calls per minute follows a Poisson distribution, compute the probability that at any given minute there will be more than 2 calls.

(2)[3 Pts] Suppose that in one year the number of industrial accidents X follows a Poisson distribution with mean 3.0. If each accident leads to an insurance claim of \$5,000, how much money would an insurance company need to keep in reserve to be 95 % certain that the claims are covered?

(3)[4 Pts] A delivery company found that the number of complaints was six per years on average. Assuming that the number of complaints follows a Poisson distribution, calculate the probability of having no complaints in

- (a) all of next year;
- (b) the next quarter.

(4)[4 Pts] You have the following commands in R to compute probabilities associated with binomial, Poisson and negative binomial distributions.

`dbinom(x, size, prob)`: $P(X = x)$ for $X \sim B(size, prob)$

`pbinom(q, size, prob)`: $P(X \leq qx)$ for $X \sim B(size, prob)$

`dpois(x, lambda)`: $P(X = x)$ for $X \sim Poisson(\lambda)$

`ppois(q, lambda)`: $P(X \leq q)$ for $X \sim Poisson(\lambda)$

`dnbinom(x, size, prob)`: $P(X = x)$ for $X \sim NB(size, prob)$

`pnbinom(q, size, prob)`: $P(X \leq qx)$ for $X \sim NB(size, prob)$

Note that the negative binomial rv in R counts the number of failures that occur before getting the desired success. It is not exactly the same as I defined in class but it is closely related.

Use these commands to solve problems (3) and (4)(a-b) from past HW4 and problem (1) in this HW5. Print your result to return your work to me.

