

3. (+) Develop a probability distribution for a random variable defined for a sample space in which theoretical probabilities can be calculated; find the expected value. *For example, find the theoretical probability distribution for the number of correct answers obtained by guessing on all five questions of a multiple-choice test where each question has four choices, and find the expected grade under various grading schemes.*
4. (+) Develop a probability distribution for a random variable defined for a sample space in which probabilities are assigned empirically; find the expected value. *For example, find a current data distribution on the number of TV sets per household in the United States, and calculate the expected number of sets per household. How many TV sets would you expect to find in 100 randomly selected households?*

Use probability to evaluate outcomes of decisions

5. (+) Weigh the possible outcomes of a decision by assigning probabilities to payoff values and finding expected values.
 - a. Find the expected payoff for a game of chance. *For example, find the expected winnings from a state lottery ticket or a game at a fast-food restaurant.*
 - b. Evaluate and compare strategies on the basis of expected values. *For example, compare a high-deductible versus a low-deductible automobile insurance policy using various, but reasonable, chances of having a minor or a major accident.*
6. (+) Use probabilities to make fair decisions (e.g., drawing by lots, using a random number generator).
7. (+) Analyze decisions and strategies using probability concepts (e.g., product testing, medical testing, pulling a hockey goalie at the end of a game).