TESTING HYPOTHESES

Start

1 **Identify the specific claim or hypothesis to be tested and put it in symbolic form.**

2 **Give the symbolic form that must be true when the original claim is false.**

3 **Of the two symbolic expressions obtained so far, let the null hypothesis H_0 be the one that contains the condition of equality; H_1 is the other statement.**

4 **Select the significance level based on the seriousness of a type I error. Make the significance level small if the consequences of rejecting a true H_0 are severe. (values of 0.05 and 0.01 are very common.)**

5 **What statistic is relevant to this test and what is its sampling distribution?**

6 **Determine the test statistic, the critical region, and the critical value(s). (draw a graph, label points and shade regions.)**

H_0	H_1	Test
$\leq$	$>$	Right Tail
$\geq$	$<$	Left Tail
$=$	$\neq$	Two Tail

7 ***Reject H_0* if the test statistic is in the critical region. *Fail to reject H_0* if the test statistic is not in the critical region.**

8 **Conclusion: Restate this previous decision in simple nontechnical and understandable terms.**

Stop