

B

	0	1	2	$f(c)$
0	.05	.05	.05	.15
1	.05	.20	.15	.40
2	.05	.25	.15	.45
$f(B)$.15	.50	.35	

(a)

$$E(C) = 0(.15) + 1(.40) + 2(.45) = 1.3$$

$$E(B) = 0(.15) + 1(.50) + 2(.35) = 1.2$$

$$V(C) = 0^2 \cdot (.15) + 1^2 \cdot (.40) + 2^2 \cdot (.45) - (1.3)^2 = .51$$

$$(d) \quad f(0,0) = .05 \quad \text{But} \quad f(B) \cdot f(C) = .15 \times .15 = .0225$$

\therefore Conf be indep.

$$(e) \quad A = 5000 + 1000B$$

A	$f(A)$
5000	.15
6000	.50
7000	.35

(f) low between A & B
= 1 exact
linear!

Price i Quantity q

$$\text{Sales} = \beta_1 + \beta_2 \text{Price} + \dots + \epsilon_i$$