

# Quiz 8: Proportions

Name:

In order to estimate the rate of foreclosures in small towns in America, an economist randomly samples 200 towns of population 3,000 to 10,000 in America, then computes the average of their rates of foreclosure.

1. Suppose that the true rate of foreclosure is 13%. What is the standard error (that is,  $\sigma_p$ ) of the sample proportion of homes in foreclosure?

2. Describe the distribution of the sampled proportion of homes in foreclosure.