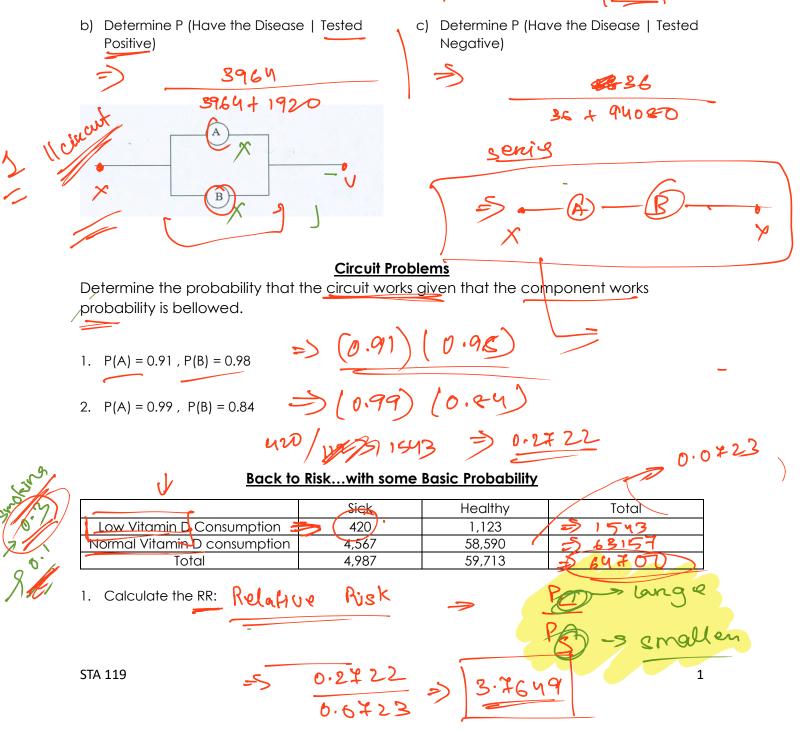
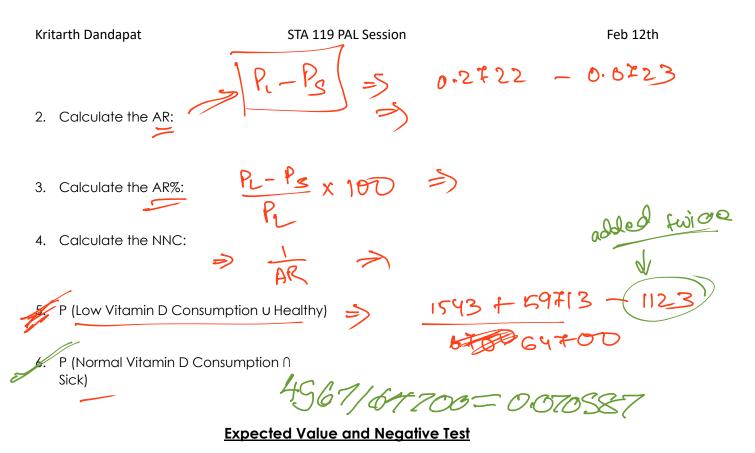
## **Baye's Problem**

## Example 1

- a) Fill in the table using the information below
- Suppose that a known disease occurs in 4% of the population
- The medical test produces a positive reading on 99.1% of those infected with the disease
- Suppose that this test gives a positive result in healthy patients 2% of the time
- Assume we have 100,000 random individuals who follow the above information perfectly

	Has Disease	Does Not Have	Total
		Disease	
Test Positive	=) [3964]	1920	
Test Negative	3 36	1) 9408 <b>0</b>	
Total	4000	96000	100,000





1. Suppose that the current positivity rate is 3.5%. That is, 3.5% of those that get tested actually test positive. If we decide to do batches of size 12, what is the probability that a batch of 12 independent individuals will produce a negative test.

2. Suppose that we are doing batch testing with batches of size 16. Suppose that the probability that a batch of size 16 tests negative is 0.835. Determine the expected number (expected value) of tests needed for a group of size 16.