

Assignment # 2, Econ 253

Textbook: 2.16 (a,b), 2.19 , 2.22

Additional Problems

1. Bud and Lou work in different districts selling fireplace inserts. Suppose X and Y represent the number of inserts sold on a winter day by Bud and Lou, and the joint Pdf is as below.

	Y			
	0	1	2	
X	0	0.20	0.10	0.05
	1	0.05	0.20	0.10
	2	0.05	0.05	0.20

- a. Compute the coefficient of correlation between Bud's and Lou's sales.
- b. What are Bud's (X) expected sales given that Lou (Y) sold 2 inserts?