1. Environmentalists would like to stop coal-burning companies from emitting mercury, because they believe it is contaminating the fish. Mercury is now at dangerous levels in many river fish. Coal-burning companies claim that they are not to blame -- the fish are getting mercury poisoning from some other source. To settle the matter, some data was collected about the mercury levels in various rivers and their proximity to coal-burning plants:

Proximity to coal-burning plant (in miles)	Mercury level
180	60
150	65
20	96
670	41

For ease of calculation, here are some pre-computed values:

sum(x) = 1020 sum(y) = 262 sum(x*y) = 49940 sum(x*x) = 504200 sum(y*y) = 18722 mean(x) = 255mean(y) = 65.5

a) Find the correlation between proximity and mercury level.

Solution:

 $\mathbf{r} = (4*49940 - 1020*262) / (\text{sqrt}(4*504200 - 1020^2) \text{ sqrt}(4*18722 - 262^2)) = -0.86$

b) Test whether there is significant evidence that proximity and mercury level are related at the .05 level.

Find b':

$$b' = (4*49940 - 1020*262) / (4*504200 - 1020^2) = -.069$$

Find σ^{2} , a' = y_bar - b'*x_bar = 83.095 ssyy' = sum((y_i - y'_i)^2) = (60 - 70.675)^2 + (65-72.745)^2 + (96 - 81.715)^2 + (41 - 36.865)^2 = 395.1 σ^{2} ' = ssyy'/(n-2) = 58277/2 = 197.55

Test whether
$$b = 0$$
:
ssxx = sum((x_i - x_bar)^2) = 244100

t-obt =
$$\frac{-.069}{\frac{\sqrt{197.55}}{\sqrt{244100}}} = -2.43$$
.

At df=2, t_crit = 4.303, thus there is not significant enough evidence to conclude that the two are related.