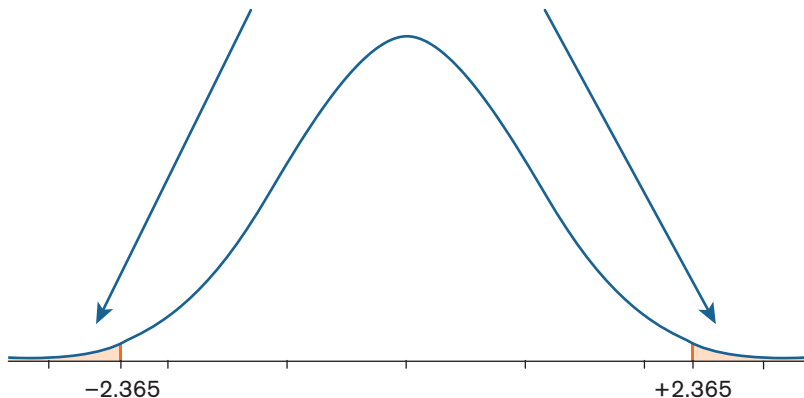


**FIGURE 10.2**

## Setting the Criteria for a Decision

Rejection region. Test statistic values beyond  $\pm 2.365$  results in a decision to reject the null hypothesis.



The shaded areas show the rejection regions for a  $t$  distribution with  $df = 7$ . The critical value cutoffs are  $\pm 2.365$ . If the value of the test statistic falls in the shaded area, then we choose to reject the null hypothesis; otherwise, we retain the null hypothesis.