Basic Concepts in Hypotheses Testing

- Null Hypotheses &Alternate Hypotheses
- Level of Significance
- Critical Region
- Decision Rule(Test of Hypothesis)
- Type I & Type II Errors
- Power of Test
- Two Tailed & One Tailed Tests
- One Sample & Two Sample Tests
- Parametric & Non Parametric Tests

Level of Significance

- The critical probability in choosing between the null & alternative hypotheses.
- The probability of making a Type I error.
- The higher the significance level, the higher the probability of rejecting a null hypothesis when its true.
- Risk that a researcher is willing to take of rejecting the null hypotheses when it happens to be true.
- Confidence level:
  - A percentage or decimal value that tells how confident a researcher can be about being correct.