

Question #78

Answer is B

From item (ii), $\mu = 1000$ and $a = 50$. From item (i), $v = 500$. Therefore, $k = v/a = 10$ and

$Z = 3/(3+10) = 3/13$. Also, $\bar{X} = (750 + 1075 + 2000) / 3 = 1275$. Then

$$P_c = (3/13)(1275) + (10/13)(1000) = 1063.46.$$