

37. Solution: D

Let T denote printer lifetime. Then $f(t) = \frac{1}{2} e^{-t/2}$, $0 \leq t \leq \infty$

Note that

$$P[T \leq 1] = \int_0^1 \frac{1}{2} e^{-t/2} dt = e^{-t/2} \Big|_0^1 = 1 - e^{-1/2} = 0.393$$

$$P[1 \leq T \leq 2] = \int_1^2 \frac{1}{2} e^{-t/2} dt = e^{-t/2} \Big|_1^2 = e^{-1} - e^{-1/2} = 0.239$$

Next, denote refunds for the 100 printers sold by independent and identically distributed random variables Y_1, \dots, Y_{100} where

$$Y_i = \begin{cases} 200 & \text{with probability } 0.393 \\ 100 & \text{with probability } 0.239 \\ 0 & \text{with probability } 0.368 \end{cases} \quad i = 1, \dots, 100$$

Now $E[Y_i] = 200(0.393) + 100(0.239) = 102.56$

Therefore, Expected Refunds = $\sum_{i=1}^{100} E[Y_i] = 100(102.56) = 10,256$.