

Probability Exercises 1-3

Exercise 1

Based on the years 1988 to the current time, record below what you believe is the correct answer.

Highest Class III/BFP price: _____

**Top 1/3 of market
begins at what price:** _____

Average price: _____

**Low 1/3 of market
begins at what price:** _____

Lowest Class III/BFP price: _____



Exercise 2

Based on the same time period, record below what percent of the time each price you estimated in exercise 1 occurred, e.g., what percent of the time did the top 1/3 price occur. As you consider your answers you may want to think of a 25-cent range of prices with your answers to exercise 1 as the midpoint of that range. For example if your top 1/3 price was \$11.00 then answer below what percent of the time you think the 25 cent price range from \$10.88 to \$11.13 occurred.

Based on your answers in exercise 1 above, what percent of the time did the 25-cent range around your:

Highest price estimate occur: _____ % of the time

Top 1/3 price estimate occur: _____ % of the time

Average price estimate occur: _____ % of the time

Low 1/3 price estimate occur: _____ % of the time

Lowest price estimate occur: _____ % of the time

Exercise 3

Bring your answers to exercises 1 and 2 together in the graph below. Record the lowest, low third, etc. prices you estimated from exercise 1 on the appropriate lines at the bottom of the graph. Next, follow the graph straight up from the lowest price estimate, and record the percent of time the lowest price occurred (exercise 2) by putting a dot at the appropriate percentage level. Do the same for the other price estimates and connect the dots.

