





**Problem 3 (25 points)**

A discrete random variable has the following probability:

$X$	$P(X)$
-3	$\frac{1}{4}$
-1	$\frac{1}{4}$
0	$\frac{3}{8}$
2	$\frac{1}{8}$
3	$\frac{1}{8}$

Answer the following questions:

a. Find  $E(X)$ .

b. Find  $Var(X)$ .

c. Use (a) and (b) to compute  $E(2X - 3X^2)$ .

d. Find  $P(X = 0|X < 2)$ .

**Problem 4 (25 points)**

**Part A:**

A player will play the roulette game and will bet \$40 on a single number that pays 35 to 1. What is his expected profit and variance.

**Part B:**

A player will play the roulette game 40 times and will bet each time \$1 on a single number that pays 35 to 1. What is his expected profit and variance.

**Part C:**

The events  $A, B$  of an experiment are mutually exclusive with probabilities  $P(A) = 0.5, P(B) = 0.3$ . The experiment is performed independently until one of the two events will occur. What is the probability that event  $A$  will occur before event  $B$ .