

Wald's SPRT

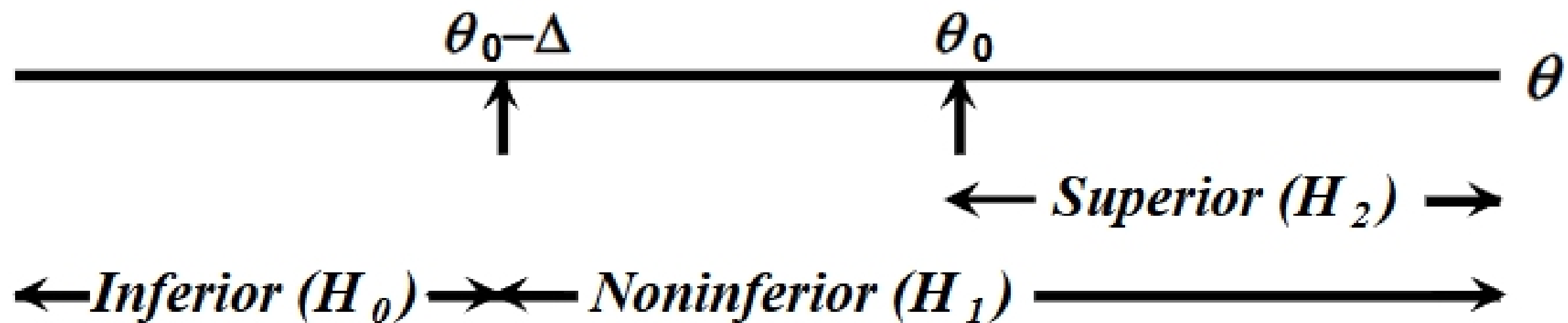
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Hypotheses (*big is good*)

Inferior (H_0): $\theta \leq \theta_0 - \Delta$

Superior (H_2): $\theta \geq \theta_0$



Loss and Penalty Functions

<i>Loss function</i>	True status of the new intervention		
	Inferior	Neither	Superior
Decision	$H_0:$ $\theta \leq \theta_0 - \Delta$	$\theta_0 - \Delta < \theta < \theta_0$	$H_2:$ $\theta_0 < \theta$
Accept (acc)	0	0	1
Reject (rej)	k	0	0

Cost/penalty function: $C(t) = C(R(t))$

represents cost of data + penalty for delay