In a certain community, $10 \%$ of all people above 50 years of age have diabetes. A health service in this community correctly diagnoses $95 \%$ of all person with diabetes as having the disease, and incorrectly diagnoses $5 \%$ of all person without diabetes as having the disease. Find the probability that a person randomly selected from among all people of age above 50 and diagnosed by the health service as having diabetes actually has the disease.

## Solution

Setting up the contingency table for the data.

|  | A person has <br> diabetes | A person does not <br> have diabetes | Total |
| :---: | :---: | :---: | :---: |
| Test positive | 0.095 | 0.045 | 0.140 |
| Test negative | 0.005 | 0.855 | 0.860 |
| Total | 0.100 | 0.900 | 1.000 |

$\mathrm{P}($ positive \& has diabetes $)=\mathrm{P}($ has diabetes $) \times \mathrm{P}$ (positive $\mid$ has diabetes $)=$ $=0.1 \times 0.95=0.095$
$\mathrm{P}($ negative $\&$ has diabetes $)=\mathrm{P}($ has diabetes $) \times(1-\mathrm{P}($ positive $\mid$ has diabetes $))=$ $=0.1 \times(1-0.95)=0.005$
$\mathrm{P}($ positive \& no diabetes $)=\mathrm{P}($ no diabetes $) \times \mathrm{P}($ positive $\mid$ no diabetes $)=$ $=0.90 \times 0.05=0.045$
$\mathrm{P}($ negative \& no diabetes $)=\mathrm{P}($ no diabetes $) \times(1-\mathrm{P}($ positive $\mid$ no diabetes $))=$ $=0.90 \times(1-0.05)=0.855$
$\mathrm{P}($ has diabetes $\mid$ positive $)=\mathrm{P}($ positive $\&$ has diabetes $) / \mathrm{P}($ positive $)=0.095 / 0.14=0.679$
Answer: the probability that a person diagnosed as having diabetes actually has the disease is 0.679 .

Answer provided by https://www.AssignmentExpert.com

