**The Casino Lab**

Casinos rely on the laws of probability and expected values of random variables to guarantee them profits on a daily basis. Some individuals will walk away very wealthy, while others will leave with nothing but memories. This lab is designed to allow you to analyze some of the games of chance that are typically played in casinos. (Subliminal message: keep your money in your pocket!)

# STATION 1: CRAPS

Roll a pair of six-sided dice. If the sum is 7 or 11, you win. If the sum is 2, 3, or 12, you lose. If the sum is any other number, you roll again. In fact, you continue throwing the dice until you either roll that number again (WIN!) or roll a 7 (LOSE!).

1. SIMULATION I: Play 20 games of craps with your partner. Each of you should throw the dice for 10 games. Record your results in the tables below.

|  |  |  |  |
| --- | --- | --- | --- |
| Game | 1st roll | Result | Subsequent result |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |
| 4 |  |  |  |
| 5 |  |  |  |
| 6 |  |  |  |
| 7 |  |  |  |
| 8 |  |  |  |
| 9 |  |  |  |
| 10 |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Game | 1st roll | Result | Subsequent result |
| 11 |  |  |  |
| 12 |  |  |  |
| 13 |  |  |  |
| 14 |  |  |  |
| 15 |  |  |  |
| 16 |  |  |  |
| 17 |  |  |  |
| 18 |  |  |  |
| 19 |  |  |  |
| 20 |  |  |  |

In what proportion of the games did you win on your first roll? In what proportion of the games did you win?

1. SIMULATION II: Using your TI-83/84/89, you can simulate rolling two dice and obtaining their sum by typing RandInt(1,6)+RandInt(1,6) and pressing ENTER. Simulate 20 games—10 each—using your calculator. Record your results in the tables below.

|  |  |  |  |
| --- | --- | --- | --- |
| Game | 1st roll | Result | Subsequent result |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |
| 4 |  |  |  |
| 5 |  |  |  |
| 6 |  |  |  |
| 7 |  |  |  |
| 8 |  |  |  |
| 9 |  |  |  |
| 10 |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Game | 1st roll | Result | Subsequent result |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |
| 4 |  |  |  |
| 5 |  |  |  |
| 6 |  |  |  |
| 7 |  |  |  |
| 8 |  |  |  |
| 9 |  |  |  |
| 10 |  |  |  |

1. Probability Questions
	1. What is the probability that you obtain a sum of 7 or a sum of 11 on the first roll?
	2. What is the probability that you obtain a sum of 2, 3, or 12 on the first roll?
	3. What is the probability that you roll again after the first roll?
	4. Suppose you roll a sum of 8 on the first roll. Find the probability that you subsequently win the game, given that you rolled an 8 to start with.
2. Tree diagram: Complete the tree diagram shown below for the *first roll* in the game of craps.

Win (7 or 11)

Lose (2, 3, or 12)

Roll again

BONUS: Find the probability that you win at craps.

# STATION 2: ROULETTE

A roulette wheel has 38 numbered slots, 1 to 36, 0, and 00. The odd numbered slots from 1 to 36 are red and the even numbered slots are black. Both 0 and 00 are green slots.

1. SIMULATION: You can easily simulate the roulette game on your TI-83/84/89 by entering RandInt(1,38) and letting 37 = 0 and 38 = 00. Have one partner operate the calculator, and let the other person guess “red” or “black” prior to each spin. Perform 20 simulations, then switch jobs. Record your results in the table below.

|  |  |  |
| --- | --- | --- |
| Name | Wins | Losses |
|  |  |  |
|  |  |  |

1. Suppose you bet $1 to play a game. If you guess “red” or “black” and are correct, you win $1 and get your original dollar back. If you’re wrong, you lose the $1 bet. Let *X* = the amount gained on a single play. Complete the probability distribution for *X*.

|  |  |  |
| --- | --- | --- |
| *xi* | −1 | 1 |
| *pi* |  |  |

1. Find the expected amount gained per play.
2. Calculate the standard deviation of the amount gained per play.
3. Suppose you play two games. Find the total expected amount gained after two plays and the standard deviation of the total amount gained after two plays.

# STATION 3: BLACKJACK

The game of blackjack begins by dealing 2 cards to a player, the first face-down and the second face- up on top of the first. At this station, you’ll play a modified version of the game in which a player only gets these two cards. We’ll say that the player has a “blackjack” if he has a black jack and an ace as his two cards. We’ll say the player has “twenty-one” if he has an ace and a 10, Jack, Queen, or King.

* 1. Deal 10 blackjack hands, one at a time, shuffling between each hand. That is, deal 2 cards, then check the result, then shuffle, then deal two more cards, etc. Record the number of “blackjacks” and “twenty-ones” you obtain:

“Blackjacks”: “Twenty-ones”:

* 1. Given that the face-up card is an ace, find the probability that you have
		1. a “blackjack” b. “twenty-one”
	2. Given that the face-up card is a black Jack, find the probability that you have
		1. a “blackjack” b. “twenty-one”
	3. Find the probability of getting a “blackjack”. *Hint:* Consider the sample space of (top card, bottom card).
	4. Are the events A = face-up card is a black Jack and B = you get “blackjack”
		1. independent? b. disjoint?

Justify your answers!

# STATION 4: COINS, DICE, CARDS, TREES

In this game, you begin by tossing 4 coins simultaneously. You count the number of heads. If this number is even, then you draw a card from the deck. If the number is odd, then you roll a pair of dice.

1. Play this game 10 times and record your results. The “outcome” on the dice is the sum of the two numbers obtained, whereas the card “outcome” is the denomination—ace, king, two, etc.—that you draw.

|  |  |  |
| --- | --- | --- |
| Trial | Coin toss: no. H | Outcome on dice/card |
| 1 |  |  |
| 2 |  |  |
| 3 |  |  |
| 4 |  |  |
| 5 |  |  |
| 6 |  |  |
| 7 |  |  |
| 8 |  |  |
| 9 |  |  |
| 10 |  |  |

1. Find the probability of getting an odd number of heads, and then obtaining a sum of 10 on the dice.
2. Find the probability of getting an even number of heads, and then obtaining a 10 from the deck of cards.
3. Given that you obtained a 10 at the second stage of this game (either a card or a dice total), find the probability that you had 2 heads and 2 tails.

BONUS: Construct a tree diagram for this game. Include all probabilities.

# STATION 5: MONTE’S DILEMMA

This game is based on the old television show *Let’s Make a Deal*, hosted by Monte Hall. At the end of each show, the contestant who had won the most money was invited to choose from among three doors: door #1, door #2, or door #3. Behind one of the three doors was a very nice prize. But behind the other two were rather undesirable prizes—say goats. The contestant selected a door. Then Monte revealed what was behind one of the two doors that the contestant DIDN’T pick—goats. He then gave the contestant the option of sticking with the door she had originally selected or switching.

1. Simulate this game as follows. Pull an ace and two 2s from the deck of cards. These represent the 3 doors with prizes (ace is good!). Have your partner arrange the cards and act as game show host. You pick a door. He or she will then show you one of the doors you didn’t pick (always with a 2). You must then decide to stick with your original choice or to switch doors. Perform this ten times and record the results. *Modern version:* Visit the Web site [**www.stat.sc.edu/~west/javahtml/LetsMakeaDeal.html**](http://www.stat.sc.edu/~west/javahtml/LetsMakeaDeal.html)

|  |  |  |  |
| --- | --- | --- | --- |
| Trial | Door chosen | Stick/switch | Win/lose |
| 1 |  |  |  |
| 2 |  |  |  |
| 3 |  |  |  |
| 4 |  |  |  |
| 5 |  |  |  |
| 6 |  |  |  |
| 7 |  |  |  |
| 8 |  |  |  |
| 9 |  |  |  |
| 10 |  |  |  |

1. What’s the probability that you picked the door with the nice prize behind it in the first place?
2. Intuition tells us that it shouldn’t make any difference whether you stick or switch. There’s still a 1/3 chance that you’re right. Agree or disagree?
3. A related question: A woman and a man (who are unrelated) each have two children. At least one of the woman’s children is a boy, and the man’s older child is a boy. Which is more likely: that the man has 2 boys or that the woman has 2 boys?