

## Section 4.8 — Exercise 4.98

**Problem:** From experience, a shipping company knows that the cost of delivering a small package within 24 hours is \$14.80. The company charges \$15.50 for shipment but guarantees to refund the charge if delivery is not made within 24 hours. If the company fails to deliver only 2% of its packages within the 24-hour period, what is the expected gain (in \$) per package?

**Solution:**