1) You are presented with a closed bag. You are told that inside the bag are 25 tickets and that 3 of these tickets are good for prizes ($500, $250, and $50)—the other tickets are worthless. You are given the opportunity to draw one ticket from the bag. Assume that you return the tickets to the bag after drawing. What is the probability:
   a) That you will win the $500? $250? 50? $250 or more? Any prize at all?
   b) That you will not win anything at all?

2) Using the example above, let’s assume that 5 of the worthless tickets are changed to “draw again” tickets, allowing a second draw from the bag ($500, $250, $50, and 5 draw again tickets)—the other tickets are worthless. Assume that you return the tickets to the bag after drawing. What is the probability:
   a) That you will get a “draw again” ticket and then win $500 or $250 dollars?
   b) That you will get a “draw again” ticket twice and then win $500?
**Answers**

1a)  $500 = .04  
     $250 = .04  
     $50 = .04  
     $250+ = .08  
    Any prize = .12  

1b)  Nothing = .88

2a)  .016

2b)  .0016