Exercises and Lecture Notes
STK 4090, Spring 2020

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Abstract

These are Exercises and Lecture Notes for the new course on Statistical Large-Sample Theory, STK 4090 (Master level) or STK 9090 (PhD level), for spring semester 2020. Some of them are taken from earlier collections, from other courses of mine, but most of the exercises are created during this semester. The internal organisation and sequence of exercises might not be pedagogically optimal (yet), since more exercises are added on dynamically as the course progresses.

1. Illustrating the Central Limit Theorem (CLT)

Consider the variable

$$Z_n = (X_1 + \cdots + X_n - n\mu)/(\sqrt{n}\sigma) = \sqrt{n}(\bar{X}_n - \mu)/\sigma,$$

where the X_i are i.i.d. and uniform on the unit interval; here $\mu = 1/12$ and $\sigma = 1/\sqrt{12}$ are the mean and standard deviation, respectively. Your task is to simulate $\text{sim} = 10^4$ realisations of the variable Z_n, for say $n = 1, 2, 3, 5, 10, 25$, and display the corresponding histograms. Observe how the distribution of Z_n comes closer and closer to the standard normal, as n increases. To illustrate just how close, consider the case of $n = 6$, for example, and attempt to test the hypothesis that the 10^4 data points you have simulated come from the standard normal. Comment on your findings.

2. Illustrating the Law of Large Numbers (LLN)

Simulate say 10^4 variables $X_1, X_2, \ldots$ drawn from the unit exponential distribution. Compute and display the sequence

$$W_n = n^{-1} \sum_{i=1}^{n} (X_i - \bar{X}_n)^3 \quad \text{for } n = 1, 2, 3, \ldots,$$

where $\bar{X}_n = n^{-1} \sum_{i=1}^{n} X_i$. Comment on your picture, and show indeed that W_n converges in probability. Generalise your finding.

3. The continuity lemma for convergence in probability

There are actually two ‘continuity lemmas’ for convergence in probability.

(a) Suppose $X_n \to_{\rm pr} a$, with a being a constant. Show that if g is a function continuous at point $x = a$, then indeed $g(X_n) \to_{\rm pr} g(a)$.

(b) Suppose more generally that $X_n \to_{\rm pr} X$, with the limit being a random variable. Show that if g is a function that is continuous in the set in which X falls, then $g(X_n) \to_{\rm pr} g(X)$.

Comments: (i) To prove (b), use uniform continuity over closed and bounded intervals. (ii) In situations of relevance for this course, part (a) will be the more important. The typical application may be that consistency of $\widehat\theta_n$ for θ implies consistency of $g(\widehat\theta_n)$ for $g(\theta)$.

4. The maximum of uniforms

Let $X_1, \ldots, X_n$ be i.i.d. from the uniform $[0, \theta]$ distribution, and let $M_n = \max_{i \le n} X_i$.

(a) Show that $M_n \to_{\rm pr} \theta$ (i.e. the maximum observation is a consistent estimator of the unknown endpoint).

(b) Find the limit distribution of $V_n = n(\theta - M_n)$, and use this result to find an approximate 95% confidence interval for θ.

5. Distribution functions

For a real random variable X, consider its distribution function $F(t) = \Pr\{X \le t\}$. Show that F is right continuous, and that its set of discontinuities is at most countable (in particular, the set of continuity points is dense). Show also that $F(t) \to 1$ when $t \to \infty$ whereas $F(t) \to 0$ when $t \to -\infty$.

6. A 'master theorem' for convergence in distribution

[xx check Ferguson's definition. xx] Let X_n and X be real random variables, with probability distributions P_n and P [so that $P_n(A) = \Pr\{X_n \in A\}$, etc.], and consider the following five statements:

(1) $X_n \to_d X$;

(2) for every open set A, $\liminf P_n(A) \ge P(A)$;

(3) for every closed set B, $\limsup P_n(B) \le P(B)$;

(4) for every set C that is P-continuous, in the sense that $P(\partial C) = 0$, where $\partial C = \bar C - C^0$ is the 'boundary' of C (the closure minus its interior), $\lim P_n(C) = P(C)$;

(5) for every bounded and continuous g, $\lim {\rm E}\, g(X_n) = {\rm E}\, g(X)$.

Show that these five statements are in fact all equivalent. Hints: For (1) implies (2), write $A = \cup_{j=1}^\infty A_j$ for open sets $A_j = (a_j, b_j)$, where a_j and b_j can be chosen to be among the continuity points for the distribution function F for X. Then show that (2) implies (3) [using that B is closed if and only if B^c is open], and that (3) implies (4). For (4) implying (5), take g to have its values inside $[0, 1]$, without loss of generality, and write

$$ {\rm E}\, g(X_n) = \int \int_0^1 I\{y \le g(x)\}\,{\rm d}y\,{\rm d}P_n(x) = \int_0^1 \Pr\{g(X_n) \ge y\}\,{\rm d}y, $$

along with a Lebesgue theorem for convergence of integrals. Finally, for (5) implies (1), construct for given F-continuity point x a continuous function g_ε that is close to $g_0(y) = I\{y \le x\}$.

7. The continuity lemma for convergence in convergence

Suppose $X_n \to_d X$ and that h is continuous (and not necessarily bounded). Show that $h(X_n) \to_d h(X)$. [Use e.g. statement (5) of the previous exercise.] Thus $\exp(tX_n) \to_d \exp(tX)$, etc.

8. Convergence in distribution for discrete variables

Let X_n and X take on values in the set of natural numbers, and let $p_n(j) = \Pr\{X_n = j\}$ and $p(j) = \Pr\{X = j\}$ for $j = 0, 1, 2, \ldots$. Show that $X_n \to_d X$ if and only if $p_n(j) \to p(j)$ for each j. To illustrate this, prove the classic 'law of small numbers' (first proven by Ladislaus Bortkiewicz in 1898), that a binomial is close to a Poisson, if the count number is high and the probability is small.

9. Convergence in probability in dimension two (and more)

We have defined $X_n \to_{\rm pr} X$ to mean that

$$\Pr\{|X_n - X| \ge \varepsilon\} \to 0 \quad \text{for each } \varepsilon > 0.$$

The natural generalisation for the two-dimensional (and higher) case is to say that

$$X_n = (X_{n,1}, X_{n,2}) \to_{\rm pr} X = (X_1, X_2)$$

provided

$$\Pr\{\|X_n - X\| \ge \varepsilon\} \to 0 \quad \text{for each } \varepsilon > 0,$$

where $\|X_n - X\|$ is the usual Euclidean distance. Prove that $X_n \to_{\rm pr} X$ (in such a two-dimensional situation) if and only if $X_{n,j} \to_{\rm pr} X_j$ for $j = 1, 2$ (i.e. ordinary one-dimensional convergence for each component). Generalise.

10. Moment generating functions and convergence in distribution

For a random variable X, its moment generating function (mgf) is

$$M(t) = {\rm E} \exp(tX),$$

defined for each t at which the expectation exists. Among its basic properties are the following; attempt to demonstrate these.

1. $M(0) = 1$, and when the mean is finite, then $M'(t)$ exists, with $M'(0) = {\rm E}\, X$.
2. More generally, if $|X|^r$ has finite mean, then $M^{(r)}(0) = {\rm E}\, X^r$ (the rth derivative of M, at the point zero).
3. When X and Y are independent, then

   $$M_{X+Y}(t) = M_X(t) M_Y(t)$$

   in the obvious notation. This generalises of course to the case of more than two independent variables.

4. If X and Y are two variables with identical mgfs, then their distributions are identical. [There are also 'inversion formulae' in the literature, giving the distribution as a function of M.]

5. If X_n and X have mgfs M_n and M, then $M_n(t) \to M(t)$ for all t in a neighbourhood around zero is sufficient for $X_n \to_d X$.

6. In particular, if $M_n(t) \to \exp(\frac{1}{2}t^2)$ for all t close to zero, then $X_n \to_d \mathrm{N}(0, 1)$.

11. Finite moments

Show that if $\mathrm{E}\, X^2$ is finite, then necessarily $\mathrm{E}\, X$ is finite too. Show more generally that $\mathrm{E}\,|X|^q$ is finite, then also $\mathrm{E}\,|X|^p$ is finite for all $p < q$. Prove indeed that $(\mathrm{E}\,|X|^p)^{1/p}$ is a non-decreasing function of p.

12. Proving the CLT (under some restrictions)

Let $X_1, X_2, \ldots$ be i.i.d. with some distribution F having finite variance and mean, and assume for simplicity that the mean is zero.

(a) Show that if the mgf exists, in a neighbourhood around zero, then

$$M(t) = 1 + \tfrac{1}{2}\sigma^2 t^2 + o(t^2),$$

where σ is the standard deviation of X_i.

(b) Show that $\sqrt{n}\bar{X}_n$ has mgf of the form

$$M_n^*(t) = M(t/\sqrt{n})^n = \{1 + \tfrac{1}{2}\sigma^2 t^2/n + o(1/n)\}^n,$$

and conclude that the CLT holds.

13. Characteristic functions

The trouble with the approach to the CLT above is that is has somewhat limited scope, in that some distributions do not have a finite mgf (since $\exp(tX)$ may be too big with too high probability for its mean to be finite). The so-called characteristic functions (chf) provide a more elegant mathematical tool in this regard. For a random variable X, its chf is defined as

$$\phi(t) = \mathrm{E}\, \exp(itX) = \mathrm{E}\, \cos(tX) + i\, \mathrm{E}\, \sin(tX),$$

with $i = \sqrt{-1}$ the complex unit, and $t \in R$.

(a) Show that the chf always exists, and that is is uniformly continuous. Show that the chf for the $\mathrm{N}(0, \sigma^2)$ is $\exp(-\frac{1}{2}\sigma^2 t^2)$.

(b) Assume $X_n \to_d X$. Show that

$$\phi_n(t) = \mathrm{E}\, \exp(itX_n) \to \phi(t) = \mathrm{E}\, \exp(itX) \quad \text{for all } t.$$

(c) The converse is also true (but harder to prove), and it is 'inside the curriculum' to know this: If

$$\phi_n(t) = \mathrm{E}\,\exp(itX_n) \quad \text{converges to some function} \quad \phi(t)$$

for all t in an interval around zero, and this limit function is continuous there, then (i) $\phi(t)$ is necessarily the chf of some random variable X, and (ii) there is convergence in distribution $X_n \to_d X$.

14. When is the sum of Bernoulli variables close to a normal?

Let $X_1, X_2, \ldots$ be independent Bernoulli variables (i.e. taking values 0 and 1 only), with $X_i \sim \mathrm{Bin}(1, p_i)$. We shall investigate when

$$Z_n = \frac{\sum_{i=1}^n (X_i - p_i)}{B_n} \to_d \mathrm{N}(0,1),$$

where $B_n = \{\sum_{i=1}^n p_i(1-p_i)\}^{1/2}$. Show, using mgfs or chfs, that this happens if and only $\sum_{i=1}^\infty p_i = \infty$ – and show, additionally, that this condition is equivalent to $B_n \to \infty$. Thus the cases $p_i = 1/i$ and $p_i = 1/i^2$, for example, are fundamentally different. For this second case, investigate the limit distribution of Z_n (which by the arguments given is not normal).

15. Proving the CLT (again)

Using chfs instead of mgfs gives a more elegant and unified proof of the CLT.

(a) Show that if X has a finite mean ξ, then its chf satisfies

$$\phi(t) = 1 + i\xi t + o(t) \quad \text{for } t \to 0.$$

Also, its derivative exists, and $\phi'(0) = \xi$.

(b) Show similarly that if X has a finite variance σ^2, then

$$\phi(t) = 1 + i\xi t - \tfrac{1}{2}(\xi^2 + \sigma^2 t^2) + o(t^2) \quad \text{for } t \to 0.$$

(c) If $X_1, X_2, \ldots$ are i.i.d. with mean zero and finite variance σ^2, then show that $Z_n = \sqrt{n}\bar{X}_n$ has chf of the form

$$\phi_n(t) = \{1 - \tfrac{1}{2}\sigma^2 t^2/n + o(1/n)\}^n.$$

Prove the CLT from this.

16. More on characteristic functions

Here are some more details and illustrations pertaining to characteristic functions.

(a) Find the characteristic function for a binomial distribution and for a Poisson distribution.

(b) Demonstrate the classical 'Gesetz der kleinen Zahlen' (cf. Exercise 8), that a binomial (n, p_n) tends to the Poisson λ, when $np_n \to \lambda$.

(c) Show that for the Cauchy distribution, with density $f(x) = (1/\pi)(1+x^2)^{-1}$, the chf is equal to $\exp(-|t|)$. Note that this function does not have a derivative at zero, corresponding to the fact that the Cauchy does not have a finite mean (cf. Exercise 15(a)).

(d) Let $X_1, \ldots, X_n$ be i.i.d. from the Cauchy. Show that the chf of $\bar{X}_n = (1/n)\sum_{i=1}^n X_i$ is identical to the chf of a single observation. Conclude, by the 'inversion theorem', the amazing fact that $\bar{X}_n =_d X_i$; the average has the same statistical distribution as each single component.

(e) There are several versions of 'inverse theorems', providing a mechanism for finding the distribution of a random variable from its chf; the perhaps primary aspect, defined as an 'inside curriculum fact', is that the chf indeed fully characterises the distribution (if X and Y have identical chfs, then their distributions are identical too). One such inversion formula is as follows: if X has a chf ϕ that is integrable (i.e. $\int |\phi(t)|\,\mathrm{d}t$ is finite), then X has a density f, for which a formula is

$$f(x) = \frac{1}{2\pi}\int \exp(-itx)\phi(t)\,\mathrm{d}t.$$

Write down what this means, in the cases of a normal and a Cauchy, and verify the implied formulae. Show that f in each such case of an integrable $\phi(t)$ necessarily becomes continuous.

(f) Show that the chf for the uniform $[-1, 1]$ distribution becomes $\phi(t) = (\sin t)/t$. Deduce that

$$\int \Big|\frac{\sin t}{t}\Big|\,\mathrm{d}t = \infty \quad \text{even though} \quad \int \frac{\sin t}{t}\,\mathrm{d}t = \pi.$$

(g) Point (e) above gives a formula for the density f of a variable, in the case of it having an integrable chf ϕ. One also needs a more general formula, for the case of variables that do not have densities, etc. Let X be any random variable, with cumulative distribution function F and chf ϕ (but with nothing assumed about it having a density), and add on to it a little bit of Gaußian noise:

$$Z_\sigma = X + Y_\sigma, \quad \text{with } Y \sim \mathrm{N}(0, \sigma^2).$$

Then Z has a density (even if X does not have one). Our intention is to let $\sigma \to 0$, to come back to X. Show that Z_σ has cdf of the form

$$F_\sigma(x) = \int F(x-y)\frac{1}{\sqrt{2\pi}}\frac{1}{\sigma}\exp(-\tfrac{1}{2}y^2/\sigma^2)\,\mathrm{d}y$$

and chf equal to

$$\phi_\sigma(t) = \phi(t)\exp(-\tfrac{1}{2}\sigma^2 t^2).$$

Hence show that

$$f_\sigma(x) = \frac{1}{2\pi}\int \exp(-itx)\phi(t)\exp(-\tfrac{1}{2}\sigma^2 t^2)\,\mathrm{d}t.$$

and that, consequently,

$$\begin{aligned}\Pr\{X + Y_\sigma \in [a,b]\} &= F_\sigma(b) - F_\sigma(a)\\ &= \frac{1}{2\pi}\int \frac{\exp(-itb) - \exp(-ita)}{-it}\phi(t)\exp(-\tfrac{1}{2}\sigma^2 t^2)\,\mathrm{d}t.\end{aligned}$$

(h) Conclude with the following general inversion formula, valid for all continuity points a, b of F:

$$F(b) - F(a) = \lim_{\sigma\to 0} \frac{1}{2\pi} \int \frac{\exp(-itb) - \exp(-ita)}{-it} \phi(t) \exp(-\tfrac{1}{2}\sigma^2 t^2)\,\mathrm{d}t.$$

17. Scheffé's Lemma

There are situations where $g_n(y) \to g(y)$ for all y, for appropriate functions g_n and g, does not imply $\int g_n(y)\,\mathrm{d}y \to \int g(y)\,\mathrm{d}y$. However, it may be shown that this is not a problem when g_n and g are probability densities (due to certain 'dominated convergence' Lebesgue theorems from the theory of measure and integration): if g_n and g are the densities of Y_n and Y, and $g_n(y) \to g(y)$ for (almost) all y, then

$$\int |g_n - g|\,\mathrm{d}y \to 0,$$

and, in particular,

$$\Pr\{Y_n \in [a,b]\} = \int_a^b g_n(y)\,\mathrm{d}y \to \int_a^b g(y)\,\mathrm{d}y = \Pr\{Y \in [a,b]\}$$

for all intervals, and we have $Y_n \to_d Y$. This is Scheffé's Lemma, defined as an inside curriculum fact.

(a) Let $Y_n \sim t_n$, a t distribution with n degrees of freedom. Show that $Y_n \to_d \mathrm{N}(0,1)$, using this lemma. Can you prove this statement in a simpler fashion?

(b) If $X_1, \ldots, X_n$ are i.i.d. from a uniform on $[0,1]$, with $M_n = \max_{i\le n} X_i$, show using the Scheffé Lemma that $n(1 - M_n)$ tends to a unit exponential in distribution.

(c) Suppose $X_n \sim \chi^2_n$, and consider $Z_n = (X_n - n)/\sqrt{2n}$. Prove that $Z_n \to_d \mathrm{N}(0,1)$.

18. The median

'The median isn't the message', said Stephen Jay Gould (when he was diagnosed with a serious illness and looked at survival statistics). Let $X_1, \ldots, X_n$ be i.i.d. from a positive density f with true median $\theta = F^{-1}(\frac{1}{2})$.

(a) Suppose for simplicity that n is odd, say $n = 2m+1$. Show that M_n has density of the form

$$g_n(y) = \frac{(2m+1)!}{m!\,m!} F(y)^m \{1 - F(y)\}^m f(y).$$

(b) Show then that the density of $Z_n = \sqrt{n}(M_n - \theta)$ can be written in the form

$$h_n(z) = g_n(\theta + z/\sqrt{n})/\sqrt{n}.$$

Prove that

$$h_n(z) \to (2\pi)^{-1/2} 2f(\theta) \exp\{-\tfrac{1}{2} 4f(\theta)^2 z^2\},$$

which by the Scheff'e Lemma means that

$$\sqrt{n}(M_n - \theta) \to_d \mathrm{N}(0, \tau^2) \quad \text{with } \tau = \tfrac{1}{2}/f(\theta).$$

Why does this also prove that the sample median is consistent for the population median?

(c) Generalise to the following quantilian result: if $Q_n(p) = F_n^{-1}(p)$ is the pth quantile of the data, then $Q_n(p)$ converges in probability to the corresponding population quantile $\xi_p = F^{-1}(p)$, and

$$\sqrt{n}\{Q_n(p) - \xi_p\} \to_d \mathrm{N}(0, \tau_p^2) \quad \text{with } \tau_p^2 = p(1-p)/f(\xi_p)^2.$$

(d) Constructing a nonparametric confidence interval for an unknown median is not that simple – the 'usual recipe' works, up to a point, and tells us that if we first find a consistent estimator $\widehat{\kappa}$ of the doubly unknown quantity $f(\theta)$ (f is unknown, and so is θ, its median), then we're in business. We would then have

$$Z_n = \frac{\sqrt{n}(M_n - \theta)}{\widehat{\tau}} \to_d \mathrm{N}(0,1), \quad \text{with } \widehat{\tau} = \tfrac{1}{2}/\widehat{\kappa},$$

from which it then follows that

$$I_n = \widehat{\theta} \pm 1.96\,\widehat{\tau}/\sqrt{n} \quad \text{obeys} \quad \Pr\{\theta \in I_n\} \to 0.95.$$

The trouble lies in finding a satisfactory $\widehat{\kappa}$. Try to construct such a consistent estimator.

19. Limiting local power games

This exercise is meant to study a 'prototype situation' in some detail; the type of calculation and results will be seen to rather similar in a long range of different situations. – Let $X_1, \ldots, X_n$ be i.i.d. data from $\mathrm{N}(\theta, \sigma^2)$. One wishes to test $H_0\colon \theta = \theta_0$ vs. the alternative that $\theta > \theta_0$, where θ_0 is a known value (e.g. 3.14). Two tests will be considered, based on respectively

$$\bar{X}_n = n^{-1}\sum_{i=1}^n X_i \quad \text{and} \quad M_m = \mathrm{median}(X_1, \ldots, X_n).$$

(a) For given value of θ, prove that

$$\sqrt{n}(\bar{X}_n - \theta) \to_d \mathrm{N}(0, \sigma^2),$$
$$\sqrt{n}(M_n - \theta) \to_d \mathrm{N}(0, (\pi/2)\sigma^2).$$

Note that the first result is immediate and actually holds with exactness for each n; the second result requires more care, e.g. working with the required density, cf. Exercise xx.

(b) Working under the null hypothesis $\theta = \theta_0$, show that

$$Z_n = \sqrt{n}(\bar{X}_n - \sigma_0)/\widehat{\sigma} \to_d \mathrm{N}(0,1),$$
$$Z_n^* = \sqrt{n}(M_n - \theta_0)/\{(\pi/2)^{1/2}\widehat{\sigma}\} \to_d \mathrm{N}(0,1),$$

where $\widehat{\sigma}$ is any consistent estimator of σ.

– [xx Figure 1: Limiting local power functions for two tests for $\theta \le \theta_0$ against $\theta > \theta_0$, in the situation with $\mathrm{N}(\theta, \sigma^2)$ data. based on the mean (full line) and on the median (dotted line). xx]

(c) Conclude from this that the two tests that reject H_0 provided respectively

$$\bar{X}_n > \theta_0 + z_{0.95}\widehat{\sigma}/\sqrt{n} \quad \text{and} \quad M_n > \theta_0 + z_{0.95}(\pi/2)^{1/2}\widehat{\sigma}/\sqrt{n},$$

where $z_{0.95} = \Phi^{-1}(0.95) = 1.645$, have the required asymptotic significance level 0.05;

$$\alpha_n = \Pr\{\text{reject } H_0 \,|\, \theta = \theta_0\} \to 0.05.$$

(There is one such α_n for the first test, and one for the other; both converge however to 0.05.)

(d) Then our object is to study the *local power*, the chance of rejecting the null hypothesis under alternatives of the type $\theta_n = \theta_0 + \delta/\sqrt{n}$. In generalisation of (b), show that

$$Z_n = \sqrt{n}(\bar{X}_n - \sigma_0)/\widehat{\sigma} \to_d \mathrm{N}(\delta/\sigma, 1),$$
$$Z_n^* = \sqrt{n}(M_n - \theta_0)/\{(\pi/2)^{1/2}\widehat{\sigma}\} \to_d \mathrm{N}((\pi/2)^{1/2}\delta/\sigma, 1),$$

[xx check this xx] where the convergence in question takes place under the indicated $\theta_0 + \delta/\sqrt{n}$ parameter values. (You need to generalise the results of Exercise xx, to the $\delta \neq 0$ case.)

(e) Use these results to show that

$$\begin{aligned} \pi_n(\delta) &= \Pr\{\text{reject} \,|\, \theta_0 + \delta/\sqrt{n}\} \to \Phi(\delta/\sigma - z_{0.95}), \\ \pi_n^*(\delta) &= \Pr\{\text{reject} \,|\, \theta_0 + \delta/\sqrt{n}\} \to \Phi((2/\pi)^{1/2}\delta/\sigma - z_{0.95}), \end{aligned}$$

for the two power functions. Draw these in a diagram, and compare; cf. Figure xx.

(f) Assume one wishes n to be large enough to secure that the power function is at least at level β for a certain alternative point θ_1. Using the local power approximation, show that the required sample sizes are respectively

$$n_A \doteq \frac{\sigma^2}{(\theta_1 - \theta_0)^2}(z_{1-\alpha} + z_\beta)^2 \quad \text{and} \quad n_B \doteq \frac{\sigma^2/c^2}{(\theta_1 - \theta_0)^2}(z_{1-\alpha} + z_\beta)^2$$

for tests A (based on the mean) and B (based on the median), with $c = \sqrt{2/\pi}$. Compute these sample sizes for the case of $\beta = 0.05$ and $\theta_1 = \theta_0 + \frac{1}{2}\sigma$, when also $\alpha = 0.05$.

(g) Lehmann defines 'the ARE [asymptotic relative efficiency] of test B with respect to test A' as

$$\mathrm{ARE} = \lim \frac{n_A(\theta_1, \beta)}{n_B(\theta_1, \beta)},$$

the limit in question in the sense of alternatives θ_1 coming closer to the null hypothesis at speed $1/\sqrt{n}$. Show that indeed

$$\mathrm{ARE} = \frac{\sigma^2}{\sigma^2/c^2} = c^2 = 2/\pi = 0.6366$$

in this particular situation – test A needs only ca. 64% as many data points to reach the same detection power as B needs.

20. Testing the normal scale

We have essentially covered Exercise 19 in class [xx alter this xx], as a 'prototype illustration' of the themes developed in Chapter 3 [xx change this xx]. Here is another illustration, for you to check that you may develop similar results in a different situation. Data $X_1, \ldots, X_n$ are now taken to be i.i.d. $\mathrm{N}(0, \sigma^2)$, and the object is to construct and compare tests for $H_0 : \sigma = \sigma_0$ vs. $\sigma > \sigma_0$, where σ_0 is some known quantity.

(a) Show that $\mathrm{E}\,X_i^2 = \sigma^2$ and $\mathrm{E}\,|X_i| = b\sigma$, with $b = \sqrt{2/\pi}$. Show that the estimators

$$\widehat\sigma_A = \Big\{n^{-1}\sum_{i=1}^n X_i^2\Big\}^{1/2} \quad\text{and}\quad \widehat\sigma_B = n^{-1}\sum_{i=1}^n |X_i|/b$$

are both consistent for σ.

(b) Find the limit distributions for

$$Z_{n,A} = \sqrt{n}(\widehat\sigma_A - \sigma) \quad\text{and}\quad Z_{n,B} = \sqrt{n}(\widehat\sigma_B - \sigma),$$

and comment on your findings.

(c) Construct explicit tests A and B, based on respectively $\widehat\sigma_A$ and $\widehat\sigma_B$, that have asymptotic level $\alpha = 0.01$.

(d) Show that both tests are consistent.

(e) Then we need to compare the two tests in terms of local power. For alternatives of the type $\sigma = \sigma_0 + \delta/\sqrt{n}$, establish limit distributions of the type

$$\sqrt{n}(\widehat\sigma_A - \sigma_0) \to_d \mathrm{N}(\delta, \tau_A^2\sigma^2),$$
$$\sqrt{n}(\widehat\sigma_B - \sigma_0) \to_d \mathrm{N}(\delta, \tau_B^2\sigma^2),$$

with certain values (that you should find) for τ_A and τ_B.

(f) Establish the limiting local power functions $\pi_A(\delta)$ and $\pi_B(\delta)$, and plot them in a diagram (cf. Figure xx of the previous exercise).

(g) Compute the required sample sizes n_A and n_B for tests A and B to achieve detection power 0.99 when the true state of affairs is $\sigma = 1.333\,\sigma_0$.

(h) Compute the ARE for test A w.r.t. test B, and comment.

(i) Could there be other tests for H_0 here that would outperform test A?

21. Algebras of sets

Let $\mathcal{X}$ be a non-empty set, and let $\mathcal{A}$ be a class of subsets of $\mathcal{X}$. We say that $\mathcal{A}$ is an *algebra* if (i) both $\mathcal{X}$ and the empty-set is in $\mathcal{A}$; (ii) each time A is in $\mathcal{A}$, then also its complement A^c is in $\mathcal{A}$; (iii) whem $A_1, \ldots, A_n$ are sets in $\mathcal{A}$, then also their union $\cup_{i=1}^n A_i$ is in $\mathcal{A}$. In other words: an algebra is closed with respect to the formation of complements and finite unions.

(a) Are you yourself closed with respect to compliments?

(b) What's the world's smallest algebra?

(c) Show that an algebra is also closed with respect to finite intersections.

(d) And show that $A - B = A \cap B^c$ is within the algebra if A and B are so.

(e) Construct an example of an algebra.

(f) What was Muhammad ibn Musa al-Khvarizmi [xx fix xx]?

22. Sigma-algebras of sets

A *sigma-algebra* is an algebra $\mathcal{A}$ which is also closed with respect to countably infinite formations of unions, that is, if $A_1, A_2, \ldots$ are in $\mathcal{A}$, then so is $\cup_{i=1}^{\infty} A_i$.

(a) Let $\mathcal{A}$ consist of all those subsets of $\mathcal{R}$, the real numbers, which are themselves either finite or have finite complements. Is $\mathcal{A}$ an algebra? A sigma-algebra?

(b) Show that a sigma-algebra is closed with respect to countably infinite intersection operations.

23. Inverse and direct images of functions

Let $f\colon \mathcal{X} \to \mathcal{Y}$ be an arbitrary function, from set $\mathcal{X}$ to set $\mathcal{Y}$. For subsets A of $\mathcal{X}$, define the *direct image* as $fA = f(A) = \{f(x)\colon x \in A\}$. And for subsets B of $\mathcal{Y}$, define the *inverse image* as $f^1 B = f^{-1}(B) = \{x\colon f(x) \in B\}$.

(a) Let $\{B_i\colon i \in I\}$ be a collection of subsets of $\mathcal{Y}$. Show that $f^{-1}(\cup_i B_i) = \cup_i f^{-1}(B_i)$.

(b) And that $f^{-1}(\cap_i B_i) = \cap_i f^{-1}(B_i)$.

(c) Then show $f^{-1}(\mathcal{Y} - B) = \mathcal{X} - f^{-1}(B)$.

(d) Show that $A \subset f^{-1}f(A)$ for all A.

(e) And that $B \supset ff^{-1}B$ for all B.

(f) For functions $f\colon \mathcal{X} \to \mathcal{Y}$ and $g\colon \mathcal{Y} \to \mathcal{Z}$, show that $(g \circ f)^{-1}(C) = f^{-1}g^{-1}C$.

24. Independence of complements

We say that $A_1, \ldots, A_n$ are independent if

$$P(A_{i_1} \cap \cdots \cap A_{i,m}) = P(A_{i_1}) \cdots P(A_{i_m})$$

for all subsets $\{i_1, \ldots, i_m\}$ of $\{1, \ldots, n\}$. Thus we demand quite a bit more than merely saying that $P(A_1 \cap \cdots \cap A_n) = P(A_1) \cdots P(A_n)$.

Show that if $A_1, \ldots, A_n$ are independent, then so are $A_1^c, \ldots, A_n^c$.

25. The Borel–Cantelli emma

Let $A_1, A_2, \ldots$ denote events with probabilities $P(A_1), P(A_2), \ldots$. We are interested in the event that infinitely many of these A_j occur, i.e.

$$A_{\text{i.o.}} = \cap_{i \geq 1} \cup_{j \geq i} A_j.$$

(a) Show that if $\sum_{i=1}^{\infty} P(A_i) < \infty$, then $P(A_{\text{i.o.}}) = 0$. In other words, it is certain that only a finite number of the A_i will occur.

(b) Show under the additional assumption that the A_j are independent, that the previous result holds in the 'if and only if' sense, i.e. that if $\sum_{i=1}^{\infty} P(A_i) = \infty$, then $P(A_{\text{i.o.}}) = 1$. In particular, under independence, the probability of $A_{\text{i.o.}}$ is either 0 or 1, there is no 'middle ground' possibility.

26. Does this happen infinitely often?

Let $X_1, X_2, \ldots$ be independent with the same Expo(1) distribution, i.e. with density e^{-x} for $x \geq 0$.

(a) Will $X_n > 10 + 0.99 \log n$ infinitely often ?

(b) Will $X_n > 10 + 1.00 \log n$ infinitely often?

(c) Will $X_n > 10 + 1.01 \log n$ infinitely often?

(d) Will $X_n > 10^{12} + \log n$ infinitely often?

27. Normal deviations

Let X be standard normal, and write as usual $\Phi(x)$ for its cumulative distribution function and $\phi(x)$ for its density.

(a) Show that $\Pr\{X > x\} = 1 - \Phi(x) \doteq \phi(x)/x$ for large x.

(b) Let $X_1, X_2, \ldots$ be independent standard normals. Pray, will $X_n > 0.000001\sqrt{n}$ for infinitely many n?

(c) Let $\bar{X}_n$ be the average of the first n of these observations. Show that $|\bar{X}_n| > \varepsilon$ for at most a finite number of n.

(d) If $X_1, X_2, \ldots$ are independent and $\mathrm{N}(\xi, 1)$, what is the probability that $\bar{X}_n$ converges to ξ?

28. If you are sure about infinitely many things

Show that the event $\cap_{n=1}^{\infty} B_n$ is certain (i.e. it takes place with probability 1) if and only if each of the B_n is certain. Construct an example to show that this is *not* the case for uncountably many certain events.

29. At msot countably many discontinuities

Let F be a one-dimensional cumulative distribution function, and let D be the set of its discontinuities. Show that D is either empty, finite, or countably infinite.

30. Borel sets in dimensions one and two

Let $\mathcal{B}$ be the Borel sets in $\mathcal{R}$; it is the smallest sigma-algebra containing all intervals. Define then

$$\mathcal{B} \times \mathcal{B} = \sigma(\mathcal{C}),$$

the smallest sigma-algebra containing all $A \times B$, with A and B in $\mathcal{B}$. (This is the usual definition of a product-sigma-algebra.) Define also

$$\mathcal{B}^2 = \sigma(\mathcal{O}),$$

where $\mathcal{O}$ is the set of all open sets in $\mathcal{R}^2$ (This is the usual definition of a Borel-sigma-algebra.) Show that, luckily & conveniently, $\mathcal{B} \times \mathcal{B} = \mathcal{B}^2$.

31. Measurability of coordinate functions

Let $f, g\colon (\Omega, \mathcal{A}) \to (\mathcal{R}, \mathcal{B})$ be two functions, and let $h\colon \Omega \to \mathcal{R}^2$ be given by

$$h(\omega) = (f(\omega), g(\omega)).$$

Show that h is measurable if & only if both f and g are measurable. Generalise.

32. Normal mixtures

Let first X and Y be independent, with X a standard normal and Y very discrete, $\Pr\{Y = y\} = \frac{1}{2}$ for $y \in \{-1, 1\}$. Note that a sum of a continuous and a discrete variable will have a continuous distribution. Find the density for $X + Y$. Find also its mean and variance.

Generalise to finite normal mixtures, which may be done in several ways, with one path as follows. Start with the density

$$f(x) = \sum_{j=1}^{k} p_j \phi_{\sigma_j}(x - \mu_j),$$

defined via the triples (p_j, μ_j, σ_j) for $j = 1, \ldots, k$. Here the p_j make up a probability vector, i.e. nonnegative with sum 1, and $\phi_\sigma(x-u) = \sigma^{-1}\phi(\sigma^{-1}(x-\mu))$ is the density of the normal (μ, σ). One may now view X, drawn from f, as the result of the two-stage operation where the index $J = j$ is drawn from $\{1, \ldots, k\}$ first, with $\Pr\{J = j\} = p_j$, and $X \mid j \sim \mathrm{N}(\mu_j, \sigma_j^2)$. Use this to find $\mathrm{E}\,(X \mid j)$ and $\mathrm{Var}\,(X \mid j)$, and then the unconditional mean and variance for X.

The class of finite normal mixtures is a large one, and even with say $k \le 5$ components a broad range of shapes may be attained – play a bit with this on your computer, drawing $f(x)$ curves on your screen, by mixing in different input vectors of p_j, μ_j, σ_j.

Find also a formula for the skewness of f, i.e. $\gamma = \mathrm{E}\,\{(X - \mu)/\sigma\}^3$, in terms of the overall mean and standard deviation μ and σ.

33. The Markov inequality, and bounding tails

Sometimes one wishes to bound tail probabilities, say $\Pr\{X \ge a\} \le B(a)$, and there are several ways in which to do this.

(a) Let X be a nonnegative random variable, and let $h(x)$ be a nonnegative and nondecreasing function for $x \ge 0$. Demonstrate Неравенство Маркова (Markov's inequality), that

$$\Pr\{X \ge a\} \le \mathrm{E}\, h(X)/h(a).$$

(b) If X is a random variable with mean ξ, show that

$$\Pr\{|X - \xi| \ge \varepsilon\} \le \frac{\mathrm{E}\,|X - \xi|^p}{\varepsilon^p} \quad \text{for each } p > 0.$$

For $p = 2$ we have the famous special case of Неравенство Чебышёва (Chebyshov's inequality, from about 1853).

(c) Let $X_1, X_2, \ldots$ be independent normals $\mathrm{N}(\xi, 1)$, so that $\bar{X}_n \sim \mathrm{N}(\xi, 1/n)$. Writing N for a standard normal, show that

$$\Pr\{|\bar{X}_n - \xi| \ge \varepsilon\} \le \frac{n^{-p/2}\mathrm{E}\,|N|^p}{\varepsilon^p} \quad \text{for each } p > 0.$$

For $n = 100$ and $\varepsilon = 0.05$, compute the exact probability in question and track the right hand bound as a function of p. Which p gives the sharpest bound, in this case?

(d) Let X have moment generating function $M(t) = \mathrm{E}\exp(tX)$, assumed to be finite for at least $0 \le t \le t_0$. Show that

$$\Pr\{X \ge a\} \le \min_{0 \le t \le t_0} \exp(-ta)M(t).$$

(e) For the case of $\bar X_n \sim \mathrm{N}(\xi, 1/n)$ studied above, show that

$$\Pr\{\bar X_n - \xi \ge \varepsilon\} \le \exp(-\tfrac12 n\varepsilon^2).$$

Compare this bound with the one reached via Chebyshov above.

(f) Let $X_1, X_2, \ldots$ be i.i.d. from the χ^2_b distribution, with $\mathrm{E}\,\bar X_n = b$ and $\mathrm{Var}\,\bar X_n = 2b/n$. Show that with $\varepsilon > 0$ given, there will with probability 1 be only finitely many n with $\bar X_n \ge b + \varepsilon$.

(g) [xx invent another application here. xx]

34. Amor's arrows sometimes miss

[From Nils Exam ST 200 December 1989, Exercise 1(e).] Amor shoots her arrows infinitely many times. Her shots are independent of each other, and shot no. n is (X_n, Y_n), measured from origo, where X_n and Y_n are independent and standard normal. The distance from origo is hence $R_n = (X_n^2 + Y_n^2)^{1/2}$, the square-root of a χ^2_2. Show that its density becomes $f(r) = r\exp(-\frac12 r^2)$. So how often does she miss, and by how much? Find the probabilities for these three events: that $R_n \ge 0.99\sqrt{2\log n}$ infinitely often; that $R_n \ge 1.00\sqrt{2\log n}$ infinitely often; that $R_n \ge 1.01\sqrt{2\log n}$ infinitely often.

35. Twins and paradigm shifts

Let $X_1, X_2, X_3, \ldots$ be an infinite sequence of independent standard normals. Say that X_{i-1} and X_i are *twins* if $|X_i - X_{i-1}| \le c_i$, and that there is a *regime shift* if $|X_i - X_{i-1}| \ge d_i$. Such c_i and d_i will be specified below. Let A be the event that the sequence experiences infinitely many twins, and B the event that the history sees infinitely many regime shifts.

(a) Write up an exact formula for the expected number of twins in the course of the first $n = 10^{12}$ observations. Put up similarly a formula for the expected number of regime shifts over the same period.

(b) Find $P(A)$ for the cases $c_i = 1/i$ and $c_i = 1/i^2$.

(c) Find $P(B)$ for the cases $d_i = 2\sqrt{\log i}$ and $d_i = 2.001\sqrt{\log i}$.

(d) Construct a criterion, expressed in terms of the c_i and d_i, for the history to experience with probability 1 both infinitely many twins and infinitely many regime shifts. Here it many be convenient to first deal with the situations where $\inf_i c_i > 0$ and $\sup_i d_i < \infty$, and then focus on the cases where $c_i \to 0$ and $d_i \to \infty$.

36. Quickness of convergence of average to its mean

Assume that $X_1, X_2, \ldots$ is a sequence of i.i.d. variables with mean zero. Hence $\bar X_n$ will converge to 0 in probability, and even with probability 1, by the Law of Large Numbers. But *how fast* will $p_n(a) = \Pr\{\bar X_n \ge a\} \to 0$, for fixed $a > 0$?

(a) Assume $\mathrm{Var}\, X_i = \sigma^2$ is finite. Show that $p_n(a) \le \sigma^2/(na^2)$, hence speed of order $1/n$.

(b) Assume that also the fourth order moment is finite, $\mathrm{E}\, X_i^4 < \infty$. Show that $p_n(a) \le K\sigma^2/(n^2a^4)$, for a certain K, which gives speed of order $1/n^2$.

(c) Let us generalise: Assume that $\mathrm{E}\,|X_i|^p < \infty$, for a suitable $p \ge 2$. The central limit theorem says $\sqrt{n}\bar{X}_n/\sigma \to_d \mathrm{N}(0,1)$. One may show that

$$\mathrm{E}\,|\sqrt{n}\bar{X}_n/\sigma|^p \to \mathrm{E}\,|\mathrm{N}(0,1)|^p,$$

see e.g. von Bahr (1965). Show from this that

$$\mathrm{E}\,|\bar{X}_n|^p \le c_p n^{-p/2}\,\mathrm{E}\,|\mathrm{N}(0,1)|^p\,\sigma^p \quad \text{for all } n,$$

for a suitable constant c_p – and one may use $c_p = 1.001$ if 'for all n' is replaced by 'for all large enough n'.

(d) Show that $p_n(a) \le K_p/(n^{p/2}a^p)$ for a suitable constant K_p.

(e) Assume X_i has moments of all orders, such that (d) holds for each p. If you should succeed in proving that $p_n(a) \le 0.999999^n$, is this a sharper result?

(f) Assume that the moment generating function $M(t) = \mathrm{E}\,\exp(tX)$ exists for (at least) $0 \le t \le t_0$. Show that

$$p_n(a) \le \rho^n, \quad \text{where } \rho = \rho(a) = \min_{0 \le c \le t_0} \frac{M(c)}{\exp(ac)},$$

and show that $\rho < 1$. (If $\rho = 1$ the result would still hold, but it would be a boring and rather unpublishable one.)

(g) Find $\rho = \rho(a)$ explicitly, when $X_i \sim \mathrm{N}(0,1)$, and when $X_i \sim \mathrm{N}(0,\sigma^2)$.

(h) It is practical to have explicit results also for $p_n(a) = \Pr\{\bar{X}_n \ge \xi + a\}$, of the type above, for the case of $\mathrm{E}\,X_i = \xi$. Establish such results.

(i) Find $\rho = \rho(a)$ explicitly for the cases (1) $X_i \sim \chi^2_m$; (2) $X_i \sim \mathrm{Bin}(1,p)$; and (3) $X_i \sim \mathrm{Pois}(\lambda)$.

37. The discrete and continuous parts of a cumulative distribution function

Let F be an arbitrary cumulative distribution function on $\mathcal{R}$. Show that one always may decompose F into $F = F_c + F_d$, where F_c is continuous and F_d is discrete.

38. A probabilistic excursion into number theory

In this exercise we shall construct certain types of probability distributions on the natural numbers, via placing probabilities on the the exponents in their prime number factorisations. This becomes an excursion into the world of number theory, to show some their results and formulae, but with the probabilist's hat and spectacles. Let $p_1 = 2$, $p_2 = 3$, $p_3 = 5$, $p_4 = 7$, $p_5 = 11$, etc., be the prime numbers.

(a) Find, like Gauß did when he was a little kid, all the prime numbers up tp 100. Gauß didn't stop there; as a 15 year old boy in 1792 he had essentially understood the fundamental prime number theorem $\pi(x) \doteq x/\log x$, where $\pi(x)$ is the number of primes below x, see point (xx) below. This was not formally proven until about 1896.

(b) Prove, as Euclid did about 2300 year ago, that there are infinitely many primes! (Later proofs of interest include those of Kummer, Pólya, Euler, Axel Thue, Perott, Auric, Métrod, Washington, and Fürstenberg. Even further proofs flow as corollaries of statements proved below, in points (g) and (k).)

(c) We do have $63 = 3^2 \cdot 7^1$, $104 = 2^3 \cdot 13^1$, $30\,141\,766 = 3^2 \cdot 5^1 \cdot 17^1 \cdot 31^2 \cdot 41$, $702\,958\,333 = 7^1 \cdot 11^4 \cdot 19^3$, right? Make it clear to you that each natural number n may be expressed in a unique prime factorisation fashion, in the form $n = p_1^{x_1} p_2^{x_2} \cdots p_m^{x_m}$. Here m is the number of the highest prime in n, and $x_1, x_2, \cdots, x_m$ are the exponents. We may also write n as the infinite product $\prod_{j=1}^\infty p_j^{x_j}$, where all x_j from a certain $j_0 + 1$ onwards are equal to zero.

(d) This opens a probabilistic door for us, creating a random natural number N by expressing it as

$$N = p_1^{X_1} p_2^{X_2} \cdots = \prod_{j=1}^\infty p_j^{X_j},$$

where $X_1, X_2, \ldots$ are random variables in $\{0, 1, 2, \ldots\}$, with the property that only a finite number of them are above 1. Let us try: assume the X_j are independent. Show that N is then a well-defined random variable if and only if

$$\sum_{j=1}^\infty \Pr\{X_j \ge 1\} = \sum_{j=1}^\infty [1 - \Pr\{X_j = 0\}] < \infty.$$

The division here is sharp: if the sum diverges, then not only is $N = \infty$ with positive probability, but with probability 1.

(e) As a preliminary example, let the X_j be independent with $X_j \sim \mathrm{Pois}(d_j)$. Show that N is well-defined if and only if $\sum_{j=1}^\infty d_j < \infty$. Find under this condition the expected values of N and $\log N$. Simulate say 10^4 such N, with $d_j = 1/i^{3/2}$.

(f) There's more beauty to be revealed for the case where the X_j are taken independent and geometrically distributed. Let $X_j \sim \mathrm{Geo}(c_j)$, which means

$$\Pr\{X_j = x\} = (1 - c_j)^x c_j \quad \text{for } x = 0, 1, 2, \ldots.$$

Find the mean, the variance, and the generating function for X_j:

$$\mathrm{E}\, X_j = \frac{1 - c_j}{c_j}, \quad \mathrm{Var}\, X_j = \frac{1 - c_j}{c_j^2}, \quad \mathrm{E}\, s^{X_j} = \frac{c_j}{1 - (1 - c_j)s}.$$

Show also that $\Pr\{X_j \ge x\} = (1 - c_j)^x$. Demonstrate that N is well-defined if and only if $\sum_{j=1}^\infty (1 - c_j) < \infty$.

(g) You recall $\sum_{n=1}^\infty 1/n^2 = \pi^2/6$, Euler's sensational finding from about 1734? Consider the choice $c_j = 1 - 1/p_j^2$. Find the probability that N is equal to $1, 11, 63, 103\,141\,766$. Show that

$$\Pr\{N = n\} = \frac{6}{\pi^2} \frac{1}{n^2} \quad \text{for } n = 1, 2, 3, \ldots. \tag{0.1}$$

Then you have also essentially deduced the following intriguing formula:

$$\frac{\pi^2}{6} = \prod_{j=1}^\infty \frac{p_j^2}{p_j^2 - 1} = \frac{4}{3} \frac{9}{8} \frac{25}{24} \frac{49}{48} \frac{121}{120} \cdots.$$

As a low-hanging fruit in this garden: *If* there had been merely a finite number of primes, then π^2 would have been rational. Hence (fill in!).

(h) Show also, conversely, that if N is given the (0.1) distribution, then by necessity this leads to independent X_j which are geometrically distributed with parameters $c_j = 1 - 1/p_j^2$.

(i) With this distribution for N, find the following probabilities:

(i) that N is odd [answer: $\frac{3}{4}$];

(ii) that N is a prime numbers;

(iii) that N is a a 'prime potens', of the form p^y, for some $y \geq 1$;

(iv) that N is a factor in 100;

(v) that 100 is a factor in N [answer: $1/100^2$];

(vi) that N turns out to be a square [answer: $\pi^2/15\,!$];

(vii) invent something yourself.

(j) Find the mean for N and for $\log N$. And their variances, unless your willpower is strong enough to resist.

(k) *Riemann's zeta function* is defined as $\zeta(\alpha) = \sum_{n=1}^{\infty} 1/n^\alpha$, for $\alpha > 1$. Thus $\zeta(2) = \pi^2/6$, $\zeta(4) = \pi^4/90$, $\zeta(6) = \pi^6/945$, etc. Agree to say that N is zeta distributed with parameter α provided

$$\Pr\{N = n\} = \frac{1}{\zeta(\alpha)} \frac{1}{n^\alpha} \quad \text{for } n = 1, 2, 3, \ldots.$$

Assume from this point (k) onwards, up to point (y) below, that N has this distribution. Show that this is equivalent to having the X_j independent and geometric, with $X_j \sim \text{Geo}(1 - 1/p_j^\alpha)$. Derive in particular the following intriguing representation for the zeta function:

$$\zeta(\alpha) = \prod_{\text{prime}} \frac{p^\alpha}{p^\alpha - 1} = \prod_{j=1}^{\infty} \frac{p_j^\alpha}{p_j^\alpha - 1}.$$

This formula was first derived by Euler. So now we know that

$$\frac{\pi^4}{90} = \frac{16}{15} \frac{81}{80} \frac{625}{624} \frac{2401}{2400} \cdots.$$

Show also that $\zeta(\alpha) \to \infty$ as $\alpha \to 1$, which would not have been true if God had given us only a finite number of prime numbers.

(l) Generalise the questions and solutions from point (i) to the more general situation with parameter α rather than 2. Replace also '100' with an arbitrary $n = p_1^{x_1} \cdots p_m^{x_m}$ for sub-points 4 and 5. [A few answers: (l1) $1 - 1/2^\alpha$; (l2) $\zeta(\alpha)^{-1} \sum_1^\infty 1/p_j^\alpha$; (l3) $\zeta(\alpha)^{-1} \sum_1^\infty 1/(p_j^\alpha - 1)$; (l4) $\Pr\{N \text{ is a factor in } n\} = \zeta(\alpha)^{-1} n^{-\alpha} \prod_{j=1}^m (1 + p_j^\alpha + \cdots + p_j^{\alpha x_j})$; (l5) $\Pr\{n \text{ is a factor in } N\} = 1/n^\alpha$; (l6) $\zeta(2\alpha)/\zeta(\alpha)$; (l7) go confidently in the direction of your dreams.]

(m) Say that the number n is *modest* if all prime exponents x_j for n are 0 or 1. Show us three modest and three immodest numbers. Show that the probability that N is modest is $\zeta(2\alpha)^{-1}$. Demonstrate also that

$$B(\alpha) = \sum_{n \text{ modest}} \frac{1}{n^\alpha} = \frac{\zeta(\alpha)}{\zeta(2\alpha)} = \prod_{p \text{ primtall}} \frac{p^\alpha + 1}{p^\alpha}.$$

(n) Say that n is *second-order modest* if all prime exponents are less than or equal to 2. Show that the probability that N is such a second-order modest number is $\zeta(3\alpha)^{-1}$.

(o) Show that the events $\{63 \text{ is a factor in } N\}$ and $\{100 \text{ is a factor in } N\}$ are independent, whereas $\{18 \text{ is a factor in } N\}$ and $\{52 \text{ is a factor in } N\}$ are dependent. Generalise – ask the right questions, and find the right answers.

(p) Show, by studying $\mathrm{E}\,N$ for $\alpha = 2$, that $\prod_{p \text{ prime}}(1 + 1/p) = \infty$, and deduce from this that $\sum_{p \text{ prime}} 1/p = \infty$. This was first proven by Euler.

(q) Let $M = \max\{j\colon X_j \geq 1\}$ be the last prime factor present in the random N. FInd the probability distribution of M, and show that it has expected value

$$\sum_{m=1}^{\infty}\Big[1 - \prod_{j=m}^{\infty}\Big(1 - \frac{1}{p_j^{\alpha}}\Big)\Big].$$

(r) Let f and g be functions defined on the natural numbers. Define the *Dirichlet convolution* or *Dirichlet product* $f * g$ by

$$(f * g)(n) = \sum_{d|n} f(d)g(n/d), \quad n \geq 1,$$

with the sum taken over those d in $\{1, \ldots, n\}$ which are factors in n. Show that

$$\sum_{n=1}^{\infty}\frac{f(n)}{n^{\alpha}}\sum_{n=1}^{\infty}\frac{g(n)}{n^{\alpha}} = \sum_{n=1}^{\infty}\frac{(f * g)(n)}{n^{\alpha}}, \quad \text{or} \quad \mathrm{E}\,(f * g)(N) = \zeta(\alpha)\,\mathrm{E}\,f(N)\,\mathrm{E}\,g(N),$$

if the two series converge.

(s) Let $\sigma(n)$ be the number of d in $\{1, \ldots, n\}$ which are factors in n. Show that $\sum_{n=1}^{\infty}\frac{\sigma(n)}{n^{\alpha}} = \zeta(\alpha)^2$; (i) by working with $\mathrm{E}\,\sigma(N)$, (ii) by Dirichlet convolution.

(t) Let $\phi(n)$ be the so-called *Euler totient function*, defined as the number of numbers in $\{1, \ldots, n\}$ which are reciprocally prime with n. It is an important tool in mathematical number theory. Show that $\phi(p) = p - 1$ if p is a prime; that more generally $\phi(p^x) = p^x - p^{x-1}$ if p is a prime; that the function is so-called multiplicative, which means that $\phi(mn) = \phi(m)\phi(n)$ for reciprocally primeish numbers; that $n = \sum_{d|n}\phi(d)$; that $(1 * \phi)(n) = n$; and that $\phi(n) = n\prod_{p|n}(1 - 1/p)$. Prove the formulae

$$\sum_{n=1}^{\infty}\frac{\phi(n)}{n^2} = \infty, \quad \sum_{n=1}^{\infty}\frac{\phi(n)}{n^{\alpha}} = \frac{\zeta(\alpha - 1)}{\zeta(\alpha)};$$

(1) by working with $\mathrm{E}\,\phi(N)$, (2) by working with $\mathrm{E}\,\phi(N)/N$; (3) by using Dirichlet convolutions.

(u) Another number theoretic function of importance is the *Möbius function*, defined by $\mu(1) = 1$; $\mu(p_{j_1}\cdots p_{j_r}) = (-1)^r$ if the number is over distinct prime numbers; and $\mu(n) = 0$ for all other n. Show that $\mu(n) \neq 0$ only for the modest numbers studied in point (m). Prove the glamorous formula

$$\sum_{n=1}^{\infty}\frac{\mu(n)}{n^{\alpha}} = \frac{1}{\zeta(\alpha)}, \quad \text{or} \quad \sum_{n=1}^{\infty}\frac{1}{n^{\alpha}}\sum_{n=1}^{\infty}\frac{\mu(n)}{n^{\alpha}} \equiv 1,$$

by working with the mean of the random $\mu(N)$ in a couple of different ways. This point may also be solved by conditioning a zeta distribution on the event that the outcome is modest; check point $(\sqrt{\pi})$.

(v) It follows without too much efforts that $\lim_{\alpha\to 1}\sum_{n=1}^{\infty}\frac{\mu(n)}{n^\alpha}=0$; mathematical finesse is however called for to really prove that $\sum_{n=1}^{\infty}\frac{\mu(n)}{n}=0$. Attempt to come up with such finesse. Then attempt to attach The Fundamental Prime Number Theorem, which says that if $\pi(x)$ is the number of primes in $\{1,2,\ldots,x\}$, then $\pi(x)\doteq x/\log x$. [One may prove that this implies and is implied by $\sum_{n=1}^{\infty}\frac{\mu(n)}{n}=0$; see Amitsur's 'On arithmetic functions' in *Journal of Analytic Mathematics*, 1956.]

(w) Time has come to introduce the *von Mangholdt function*, definde by $\Lambda(n)=\log p$ for prime potens numbers $n=p^x$ for $x\geq 1$, and $\Lambda(n)=0$ for all numbers not being prime potenses. Work with $\mathrm{E}\,\Lambda(N)$ and show that

$$\sum_{n=1}^{\infty}\frac{\Lambda(n)}{n^\alpha}=\sum_{p\ \text{primtall}}\frac{\log p}{p^\alpha-1};$$

(x) and show that

$$\sum_{p\ \text{primtall}}\frac{\log p}{p^\alpha-1}=\sum_{n=1}^{\infty}\frac{\log n}{n^\alpha}\Big/\sum_{n=1}^{\infty}\frac{1}{n^\alpha}=\frac{-\zeta'(\alpha)}{\zeta(\alpha)},$$

by working with $\log N$. Prove also that $(1*\Lambda)(n)=\log n$.

(y) Find a numerical value for B, the Viggo Brun constant. [Answer: 1.90216054 ...]

(z) Let N_1 and N_2 be independent and zeta distributed with the same parameter α. Find the distribution for the product N_1N_2.

(æ) If $n_1,\ldots,n_k$ are given numbers, let $\gamma\{n_1,\ldots,n_k\}$ be their greatest common divisor; for instance, $\gamma\{20,30\}=10$ and $\gamma\{18,24,36\}=6$. If N_1 and N_2 are independent and zeta distributed with parameters α_1 and α_2, show that $\gamma\{N_1,N_2\}$ becomes zeta distributed with parameter $\alpha_1+\alpha_2$. Generalise.

(ø) Find also the probability distribution for $\lambda\{N_1,N_2\}$, the smallest common multiplum for N_1 and N_2, when $\alpha_1=\alpha_2$. [The answer is more complicated than for $\gamma\{N_1,N_2\}$.]

(å) Back to semi-reality, or perhaps pseudo-reality, for a little while: The zeta distribution has been applied in certain linguistic studies; it has e.g. been tentatively shown that the frequency of words, in long text corpora, to a certain degree of accuracy follows a zeta distribution. Assume you read V words by Shakespeare, that V_1 words are seen only once, that V_2 words are seen precisely twice, etc. Then the relative frequencies V_n/V should be fitted to the zeta model's $\zeta(\alpha)^{-1}/n^\alpha$. Estimate α for a few of your favourite authors. Who has the lowest α, Anne-Catharine Vestly or Knud Pedersen Hamsun? – The zeta distribution is also partly like a discretised Pareto distribution, and will perhaps fit sufficiently well to distributions of income in different socio-economic groups. Try it out, for a group you know.

(ß) Assume $N_1,\ldots,N_k$ are independent numbers drawn from the zeta distribution with parameter α. Show that the geometric mean $(N_1\cdots N_k)^{1/k}$ is sufficient and complete. Explain how you can find the maximum likelihood estimator.

(o͡o) I have simulated 25 realisations from a zeta distribution, using a simple R programme, and found

```
2, 3, 3, 1, 8, 1, 1, 1, 3, 1, 12, 29,

1, 37, 10, 2, 5, 1, 1, 6, 10, 1, 4, 1, 6.
```

Only I know the value of α being used. Estimate this value, and give a confidence interval.

(ă̋) Show that the maximum likelihood estimator is strongly consistent, and find its limit distribution.

(ç̈) Show that every even number (except 2) can be expressed as a sum of two primes, e.g. by studying the behaviour of an analytic continuation of the zeta function near zero.

($\sqrt{\pi}$) Let us attempt another type of distributions for the X_j than the geomtric ones. Let X_j be 0 or 1, with probabilities $1 - a_j$ and a_j. Then N is accordingly a random modest number (see point (m)). Show that N is well-defined if and only of $\sum_{j=1}^\infty a_j < \infty$. Show that if a_j is taken to be $1/(p_j^\alpha + 1)$, then $\Pr\{N = n\} = B(\alpha)^{-1}/n^\alpha$, for modest n. Show again that $B(\alpha) = \prod_{p \text{ prime}} (p^\alpha + 1)/p^\alpha = \zeta(\alpha)/\zeta(2\alpha)$. Show that this model may be characterised as the conditional zeta distribution given that N is modest, and, alternatively, as the conditional zeta distribution given that all the geometric X_j are in $\{0, 1\}$. Do a little formula excursion by finding expressions for natural quantities in two ways; in one way, working with the N distribution directly, in another way, using the X_j distributions. You may e.g. impress yourself by showing

$$\sum_{n \text{ modest}} \frac{\log n}{n^\alpha} = \frac{\zeta(\alpha)}{\zeta(2\alpha)} \sum_{p \text{ primtall}} \frac{\log p}{p^\alpha + 1},$$

and your surroundings by proving

$$\Pr\Big\{\sum_{j=1}^\infty \text{Bin}\{1, 1/(1 + p_j^2)\} \text{ becomes even}\Big\} = 0.70.$$

[Consider $\mathrm{E}\,\mu(N)$.]

(o͡ı) Then try out Poisson distributed prime number exponents. Say that N is Poisson prime number exponentially distributed with parameters $\{d_1, d_2, d_3, \ldots\}$ provided $X_j \sim \text{Pois}(d_j)$, where these are still independent. Let in particular $d_j = d/p_j^\alpha$, and show that

$$\Pr\{N = n\} = e^{-dA(\alpha)} \frac{d^{s(n)}}{n^\alpha g(n)}, \quad n = 1, 2, 3, \ldots,$$

where $s(n) = \sum_{j=1}^m x_j$ and $g(n) = \prod_{j=1}^m x_j!$, for given n with factorisation as in (c), and where $A(\alpha) = \sum_{p \text{ primtall}} 1/p^\alpha$. Show, for example, that

$$\sum_{n=1}^\infty \frac{1}{n^\alpha} \frac{1}{g(n)} = \exp\{A(\alpha)\}, \quad \sum_{n=1}^\infty \frac{\log n}{n^\alpha g(n)} = \exp\{A(\alpha)\} \sum_{p \text{ primtall}} \frac{\log p}{p^\alpha}.$$

Show that the probability of having a prime number for N is $A(\alpha) \exp\{-A(\alpha)\}$ when $d_j = 1/p_j^\alpha$. Find some further formulae in the flow created. Show that products of independent Poisson prime number exponentially distributed variables stay being Poisson prime number exponentially distributed. Find a sufficient and complete statistic based on $N_1, \ldots, N_k$ when d and α are unknown parameters. Study the large-sample properties of the maxium likelihood estimators.

(γ) We know that $\prod_p p^2/(p^2-1) = \pi^2/6$, but what is $\prod_p p^2/(p^2-0.99)$? – Allow me to show you my *generalised zeta function*:

$$\zeta_d(\alpha) = \sum_{n=1}^{\infty} \frac{d^{s(n)}}{n^\alpha}, \quad 0 < d \le 2,\ \alpha > 1,$$

where $s(n) = x_1 + x_2 + \cdots$ is the *extravaganza* for the number n. Show taht this de facto exists for $0 < d \le 2$ and $\alpha > 1$. Give probabilistic proofs for the following formulae, which all reduce to previous results when d is set equal to 1:

$$\zeta_d(\alpha) = \prod_{p \text{ primtall}} \frac{p^\alpha}{p^\alpha - d},$$

$$\sum_{n=1}^{\infty} \frac{d^{s(n)}\mu(n)}{n^\alpha} \sum_{n=1}^{\infty} \frac{d^{s(n)}}{n^\alpha} \equiv 1,$$

$$\sum_{n=1}^{\infty} \frac{d^{s(n)}\sigma(n)}{n^\alpha} = \zeta_d(\alpha)^2,$$

$$\sum_{n \text{ beskjeden}} \frac{d^{s(n)}}{n^\alpha} = \prod_{p \text{ primtall}} \frac{p^\alpha + d}{p^\alpha} = \frac{\zeta_d(\alpha)}{\zeta_{d^2}(2\alpha)},$$

$$\sum_{n=1}^{\infty} \frac{d^{s(n)}\phi(n)}{n^\alpha} = \frac{\zeta_d(\alpha-1)}{\zeta_d(\alpha)},$$

$$\sum_{n=1}^{\infty} \frac{d^{s(n)}f(n)}{n^\alpha} \sum_{n=1}^{\infty} \frac{d^{s(n)}h(n)}{n^\alpha} = \sum_{n=1}^{\infty} \frac{d^{s(n)}(f*h)(n)}{n^\alpha},$$

$$\sum_{n=1}^{\infty} \frac{d^{s(n)}\log n}{n^\alpha} = \zeta_d(\alpha) \sum_{n=1}^{\infty} \frac{d^{s(n)}\Lambda(n)}{n^\alpha},$$

$$\Pr\Big\{\sum_{j=1}^{\infty} \mathrm{Bin}\{1, d/(p_j^\alpha + d)\} \text{ becomes even}\Big\} = \frac{1}{2} + \frac{1}{2}\frac{\zeta_{d^2}(2\alpha)}{\zeta_d(\alpha)^2}.$$

Employ as probabilistical tools (1) $X_j \sim \mathrm{Poisson}(d/p_j^\alpha)$; (2) $X_j \sim \mathrm{Bin}\{1, d/(p_j^\alpha + d)\}$; (3) $X_j \sim \mathrm{Geo}(1 - d/p_j^\alpha)$. Discuss relations between these models.

(œ) Investigate consequences for the distribution of primes among the natural numbers, from $\sum_{n=1}^{\infty} d^{s(n)}\mu(n)/n = 0$; as mentioned this statement, for the special case of $d = 1$, implies the glorious prime number distribution theorem.

(α) Put a probability distribution on the modest numers by taking the X_j to form a time inhomogeneous Markov chain on $\{0, 1\}$. Grei ut.

(ω) Find out a wholde deal on how the prime numbers and their cousins are distributed among the natural numbers, by studying distributions of the type $\mathcal{D}\{N | N \le n_0\}$, where n_0 is big, and by moving this threshold for the α parameter to the left of 1. Meld fra hvor du går.

39. Quartile and quantile differences

One way of assessing the spread of a distribution F, based on data $X_1, \ldots, X_n$, is via the *quartile difference* $Q_3 - Q_1$, the difference between the upper and lower quartiles. Often this difference is multiplied with a well chosen constant, such that the resulting spread estimate becomes approximately unbiased for the the standard deviation parameter in the case of F being normal.

What is this constant? How clever is this estimator, compared with the usual one under normal conditions? Which cons and pres does the estimator have, compared to others? How do yet other naturally generalised competitors behave, where one uses upper and lower ε quantile, instead of upper and lower 25 percent quantiles? Which of these is best, on Gauß's home turf?

(a) Attempt to make your own exam type exercise, containing progressively more detailed questions, based on the above sentences.

(b) Define $Q_3 = X_{[0.75\,n]}$ and $Q_3 = X_{[0.25\,n]}$, where $X_{(1)} < \cdots < X_{(n)}$ are the order statistics. Speculate a little regarding suitable interpolation tricks to make them better.

(c) For a few of the points below we shall take F to be the normal $\mathrm{N}(\xi, \sigma^2)$. Assume for this point only that F is strictly increasing with a continuous density f. Show that $Q_3 - Q_1$ converges almost surely to $q_3 - q_1 = F^{-1}(0.75) - F^{-1}(0.25)$. With which constant do we need to multiply $Q_3 - Q_1$ in order to get a consistent estimator of σ, in the case where F is a normal?

(d) Show that

$$\begin{pmatrix} \sqrt{n}(Q_1 - q_1) \\ \sqrt{n}(Q_3 - q_3) \end{pmatrix} \to_d \begin{pmatrix} (F^{-1})'(0.25)\,U \\ (F^{-1})'(0.75)\,V \end{pmatrix},$$

where

$$\begin{pmatrix} U \\ V \end{pmatrix} \sim \mathrm{N}_2\Big(\begin{pmatrix} 0 \\ 0 \end{pmatrix}, \begin{pmatrix} 3/16 & 1/16 \\ 1/16 & 3/16 \end{pmatrix}.$$

(e) Let $z(\varepsilon) = \Phi^{-1}(1-\varepsilon)$ be the upper ε quantile for the standard normal, and let

$$\widetilde{\sigma} = \frac{Q_3 - Q_1}{2z(0.25)} = \frac{Q_3 - Q_1}{1.349}.$$

Show that $\sqrt{n}(\widetilde{\sigma} - \sigma)$ tends to $\mathrm{N}(0, \kappa^2)$, with $\kappa = 1.1664\,\sigma$.

(f) Here it is natural to compare with the traditional estimator $\widehat{\sigma}$, the empirical standard deviation. Show (which is more standard, right?) that $\sqrt{n}(\widehat{\sigma} - \sigma) \to_d \mathrm{N}(0, (0.7071\,\sigma)^2)$.

(g) Then generalise! That is, consider

$$\widetilde{\sigma}(\varepsilon) = \frac{X_{[(1-\varepsilon)n]} - X_{[\varepsilon n]}}{2z(\varepsilon)} = \frac{F_n^{-1}(1-\varepsilon) - F_n(\varepsilon)}{2z(\varepsilon)},$$

where F_n is the empirical cumulative distribution function, and find the limit distribution for $\sqrt{n}(\widetilde{\sigma} - \sigma)$ under normal conditions. The answer should becomes $\mathrm{N}(0, \kappa(\varepsilon)^2)$, where

$$\kappa(\varepsilon) = \frac{\sqrt{2\pi}}{2\varepsilon}\sqrt{2\varepsilon(1-\varepsilon)}\exp\{\tfrac{1}{2}z(\varepsilon)^2\}\,\sigma.$$

(h) Investigate how the precision of $\widetilde{\sigma}(\varepsilon)$ changes when ε varies between 0 and $\frac{1}{2}$. Show in particular that the asymptotically speaking very best estimator of this type, under normality, is

$$\sigma^* = \frac{F_n^{-1}(0.931) - F_n^{-1}(0.069)}{2.9666},$$

with limit distribution $\mathrm{N}(0,(0.8755\,\sigma)^2)$, a loss of 1.2382 compared with the optimal value $\sigma/\sqrt{2}$.

(i) Investigate the behaviour of such estimators outside normality.

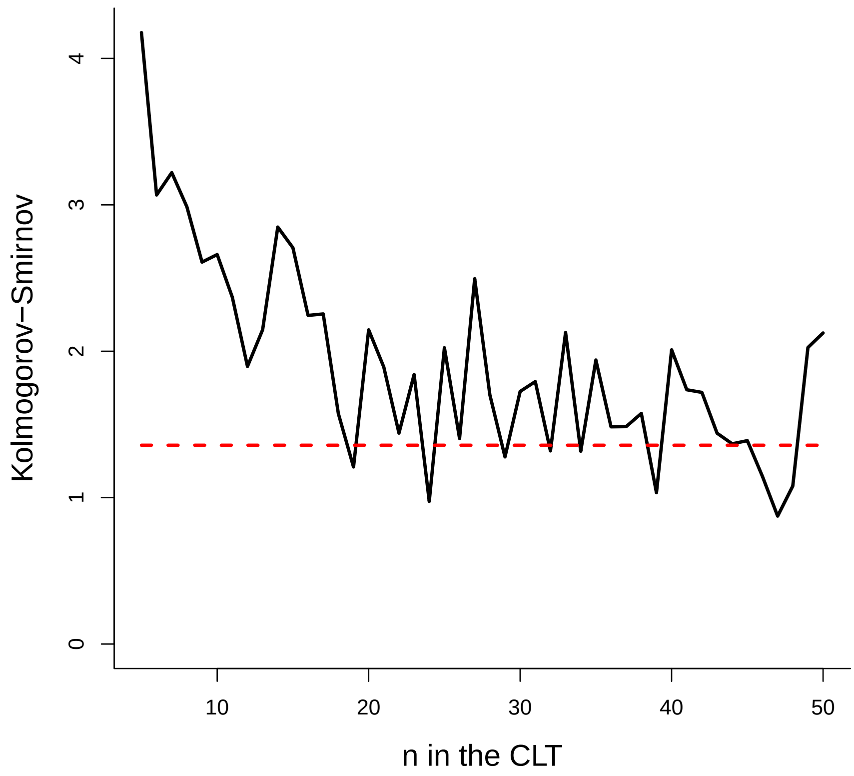

Figure 0.1: For each n, from 5 to 50, I have simulated sim $= 10^4$ realisations of Z_n of Exercise 41, and then computed the Kolmogorov–Smirnov test statistic $D_{\rm sim} = {\rm sim}^{1/2} \max_t |F_{\rm sim}(t) - \Phi(t)|$ to check whether the Z_n distribution is close to the limiting standard normal. The red horizontal line is at 1.358, the 0.95 point of the null distribution.

40. Checking out the CLT

This is a cousin exercise to Exercise 1, using simulation to check whether the variable

$$Z_n = (X_1 + \cdots + X_n - n\mu)/(\sqrt{n}\sigma) = \sqrt{n}(\bar X_n - \mu)/\sigma$$

has a distribution decently close to the limiting standard normal, nor not. This is a function of both the underlying distribution and the size of n, of course. One learned in Exercise 1 that if the start distribution of a single X_i is the uniform, then the histograms of say 10^4 realisations of Z_n succeed in getting pretty close to the normal, for pretty low n. This might be classified as 'disappointing' or 'encouraging', avhengig av dagsformen – at any rate, a key reason why this happens is that the start distribution is symmetric.

To investigate different scenarios, with skewness on board, and where convergence towards limiting normality is decidedly slower, let's make the Beta distribution the start distribution, with parameters $(a,b)=(1,5)$. Display the density of this distribution; use the formulae

$$\mathrm{E}\,X=\xi=\frac{a}{a+b}\quad\text{and}\quad \mathrm{Var}\,X=\frac{\xi(1-\xi)}{a+b+1}$$

ti find the mean and standard deviation, and compute the skewness $\gamma_3=\mathrm{E}\,(X-\xi)^3/\sigma^3$. Show also that

$$\mathrm{skew}(Z_n)=\gamma_3/\sqrt{n}.$$

Your task is now to simulate $\mathrm{sim}=10^4$ realisations of the variable Z_n, for say $n=5,6,\ldots,50$. For each such n, you might check the corresponding histogram, and observe how these become steadily 'more normal'; you may also use `plot(density(zz))` to look at the empirical densities based on the sim realisations. Also, for each such simulated dataset of Z_n, carry out two tests for standard normality, in order to see how 'far off' from the limit one might still be. These tests are first the Kolmogorov–Smirnov one, from 1933, and then the Karl Pearson one, from 1900, see Figures 0.1 and 0.2. The first is

$$D_{\mathrm{sim}}=\sqrt{\mathrm{sim}}\max_t|F_{\mathrm{sim}}(t)-\Phi(t)|,$$

with $F_{\mathrm{sim}}(t)$ the empirical distribution function of the simulated data. The Pearson chi-squared statistic is

$$K_{\mathrm{sim}}=\sum_{j=1}^m\frac{(N_j-\mathrm{sim}\,p_{0,j})^2}{\mathrm{sim}\,p_{0.j}},$$

with N_j the number of datapoints landing in cell j, and $p_{0,j}$ the standard normal probability for that cell. The cells can be constructed as one pleases, but here I have taken $(\Phi^{-1}((j-1)/m),\Phi^{-1}(j/m))$, so that each of these have probability $p_{0,j}=1/m$ under standard normality.

Observe how the distribution of Z_n comes closer and closer to the standard normal, as n increases, but rather slowly, and much more slowly than for Exercise 1, due to the skewness $\gamma_3/\sqrt{n}$ tending slowly to zero. With 10^4 datapoints we observe that the distributions underlying the data are in fact not really normal, yet, for $n\le 40$, say, but for larger n we would need even more data to be able to statistically see that they are not really from the standard normal.

Feel free to build in your own extra test for normality, and make a figure corresponding to Figures 0.1–0.2. You may also play around with the (a,b) parameters of the Beta distribution you sample from, to check more extreme behaviour, in the sense of the Z_n needing larger sample sizes n in order to have a distribution closer to the standard normal.

41. The Strong Law of Large Numbers: Basics

Suppose $X_1,X_2,\ldots$ are i.i.d. from a distribution with finite $\mathrm{E}\,|X_i|$. Then the mean $\xi=\mathrm{E}\,X_i$ exists, and the event

$$A=\{\bar X_n\to\xi\}=\cap_{\varepsilon>0}\cup_{n_0\ge1}\cap_{n\ge n_0}\{|\bar X_n|\le\varepsilon\}$$

has probability equal to one hundred percent. As usual $\bar X_n$ is the sample average of the n first datapoints. I will tend to various steps to eventually demonstrate this statement, which is the Strong Law of Large Numbers (first proven by Колмогоров in 1933). We may for simplicity and without loss of generality take $\xi=0$ below.

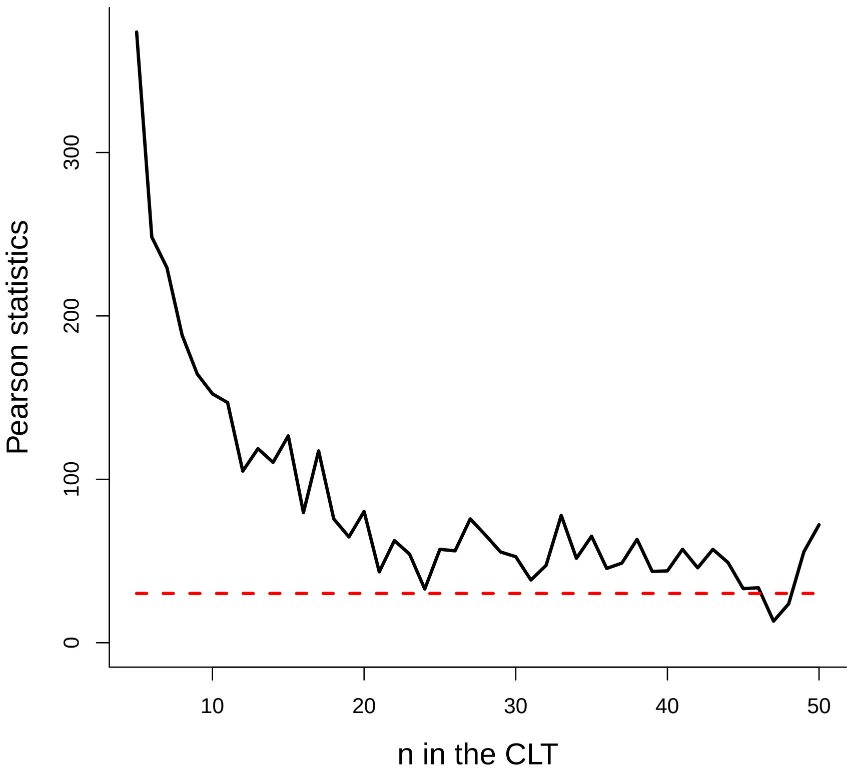

Figure 0.2: For each n, from 5 to 50, I have simulated 10^4 realisations of Z_n of Exercise 41, and then computed the Pearson chi-squared test statistic $K_n = \sum_{j=1}^{20}(N_j - 10^4 p_{0,j})^2/(10^4\, p_{0,j})$, for closeness of N_j, the number of points in cell j, namely $(\Phi^{-1}((j-1)/20), \Phi^{-1}(j/20))$, to $10^4\, p_{0,j}$, with $p_{0,j} = 1/20$. The red horizontal line is at 30.144, the 0.95 point of the null distribution.

(a) Show that A is the same as

$$\cap_{N\geq 1} \cup_{n_0\geq 1} \cap_{n\geq n_0} \{|\bar{X}_n| \leq 1/N\},$$

and deduce in particular from this that A is actually measurable – so it does make well-defined sense to work with its probability.

(a) Show that if $\Pr(A_N) = 1$ for all N, then $\Pr(\cap_{N\geq 1} A_n) = 1$ – if your fully certain about a countable number of events, then you're also fully certain about all of them, jointly. This is actually not true with a bigger index set: if $X \sim \mathrm{N}(0,1)$, then you're 100% sure that $B_x = \{X \text{ is not } x\}$ takes place, for each single x, but from this does it *not* follow that you should be sure about $\cap_{\text{all } x} B_x$. Explain why.

(c) Show that $\Pr(A) = 1$ if and only if $\Pr(B_{n_0}) \to 0$, for each $\varepsilon > 0$, where

$$B_{n_0} = \cup_{n\geq n_0} \{|\bar{X}_n| \geq \varepsilon\}.$$

In words: for a given ε, the probability should be very low that there is *any* $n \geq n_0$ with $|\bar{X}_n| \geq \varepsilon$.

(d) A simple bound is of course

$$\Pr(B_{n_0}) \le \sum_{n\ge n_0} \Pr\{|\bar X_n| \ge \varepsilon\},$$

so it suffices to show, if possible, under appropriate conditions, that $\sum \Pr\{|\bar X_n| \ge \varepsilon\}$ is a convergent series. With finite variance σ^2, show that the classic simple Chebyshov bound does *not* solve any problem here.

(e) Show, however, that if the fourth moment is finite, then

$$\Pr\{|\bar X_n| \ge \varepsilon\} \le \frac{1}{\varepsilon^4}\,\mathrm{E}\,|\bar X_n|^4 \le \frac{c}{\varepsilon^4}\frac{1}{n^2},$$

for a suitable c. So under this condition, which is moderately hard, we've proven the strong LLN.

(f) One may squeeze more out of the chain of arguments below, which I indicate here, without full details. Assume $\mathrm{E}\,|X_i|^r$ is finite, for some $r > 2$, like $r = 2.02$. Then one may show, via arguments in von Bahr (1965), that the sequence $\mathrm{E}\,|\sqrt{n}\bar X_n|^r$ is bounded. This leads to the bound

$$\Pr\{|\bar X_n| \ge \varepsilon\} \le \frac{1}{(\sqrt{n}\varepsilon)^r}\,\mathrm{E}\,|\sqrt{n}\bar X_n|^r,$$

and these form a convergent series. We have hence proven (modulo the von Bahr thing) that the strong LLN holds for finite $\mathrm{E}\,|X_i|^{2+\varepsilon}$, an improvement over the finite $\mathrm{E}\,|X_i|^4$ condition. – To get further, trimming away on the conditions until we are at the Kolmogorovian position of only requiring finite mean, we need more technicalities; see the following exercise.

42. The Strong Law of Large Numbers: nitty-gritty details

This exercise goes through the required extra technical details, along with a few intermediate lemmas, to secure a full proof of the full LLN theorem: as long as $\mathrm{E}\,|X_i|$ is finite, the infinite sequence of sample means $\bar X_n$ will with probability equal to a hundred percent converge to $\xi = \mathrm{E}\,X_i$.

(a) We start with Kolmogorov's inequality: Consider independent zero-mean variables $X_1, \ldots, X_n$ with variances $\sigma_1^2, \ldots, \sigma_n^2$, and with partial sums $S_i = X_1 + \cdots + X_i$. Then

$$\Pr\{\max_{i\le n} |S_i| \ge \varepsilon\} \le \frac{\mathrm{Var}\,S_n}{\varepsilon^2} = \frac{1}{\varepsilon^2}\sum_{i=1}^n \sigma_i^2.$$

Note that this is a much stronger result than the special case of caring only about $|S_n|$, with $\Pr\{|S_n| \ge \varepsilon\} \le \mathrm{Var}\,S_n/\varepsilon^2$, which is the Chebyshov inequality. To prove it, work with the disjoint decomposition

$$A_i = \{|S_1| < \varepsilon, \ldots, |S_{i-1}| < \varepsilon, |S_i| \ge \varepsilon\} \quad \text{and} \quad A = \cup_{i=1}^n A_i = \{\max_{i\le n} |S_i| \ge \varepsilon\}.$$

Show that

$$\mathrm{E}\,S_n^2 \ge \mathrm{E}\,S_n^2 I(A) = \sum_{i=1}^n \mathrm{E}\,S_n^2 I(A_i),$$

that

$$\mathrm{E}\,S_n^2 I(A_i) = \mathrm{E}\,(S_i + S_n - S_i)^2 I(A_i) \ge \varepsilon^2 \Pr(A_i),$$

and that this leads to the inequality asked for.

(b) Consider a sequence of independent $X_1, X_2, \ldots$ with means zero and variances $\sigma_1^2, \sigma_2^2, \ldots$. Show that if $\sum_{i=1}^\infty \sigma_i^2$ is convergent, then $\sum_{i=1}^\infty X_i$ is convergent with probability 1. – It suffices to show that the sequence of partial sums $S_n = X_1 + \cdots + X_n$ is Cauchy with probability 1. Show that this is the same as

$$\lim_{n\to\infty} \Pr\big[\cup_{i,j\ge n}\{|S_i - S_j| \ge \varepsilon\}\big] = 0 \quad \text{for each } \varepsilon > 0.$$

Use the Kolmogorov inequality to show this.

(c) A quick example to illustrate this result is as follows. Consider

$$X = \frac{X_1}{10} + \frac{X_2}{100} + \frac{X_3}{1000} + \cdots,$$

a random number in the unit interval, with the X_i independent, and with no further assumptions. Show that X exists with probability 1.

(d) Prove that if $\sum_{i=1}^\infty a_i/i$ converges, then $\bar a_n = (1/n)\sum_{i=1}^n a_i \to 0$. To show this, consider $b_n = \sum_{i=1}^n a_i/i$, so that $b_n \to b$ for some b. Show $a_n = n(b_n - n_{n-1})$, valid also for $n = 1$ if we set $b_0 = 0$, and which leads to

$$\sum_{i=1}^n a_i = nb_n - b_0 - b_1 - \cdots - b_{n-1}.$$

(e) From the above, deduce that if $X_1, X_2, \ldots$ are independent with means $\xi_1, \xi_2, \ldots$ and variances $\sigma_1^2, \sigma_2^2, \ldots$, and $\sum_{i=1}^\infty \sigma_i^2/i^2$ converges, then $\bar X_n - \bar\xi_n \to_{\text{a.s.}} 0$. Here $\bar\xi_n = (1/n)\sum_{i=1}^n \xi_i$.

(f) Use the above to show that if $X_1, X_2, \ldots$ are independent with zero means, and all variances are bounded, then indeed $\bar X_n \to_{\text{a.s.}} 0$. Note that this is a solid generalisation of what we managed to show in Exercise 42 – first, the distributions are allowed to be different (not identical); second, we have landed at a.s. convergence with the mild assumption of finite and bounded variances, whereas we there needed the harsher conditions of finite fourth moments.

(g) We need characterisations of the tails of a distribution with finite mean. Show that if $X \ge 0$, with distribution function F, then $\mathrm{E}\,X = \int_0^\infty \{1 - F(x)\}\,\mathrm{d}x$. Show more generally that for any X,

$$\mathrm{E}\,X = \int_{-\infty}^0 F(x)\,\mathrm{d}x + \int_0^\infty \{1 - F(x)\}\,\mathrm{d}x.$$

(h) Then show that if X has finite mean, then

$$\sum_{i=1}^\infty \frac{1}{i^2}\int_{(-i,i)} x^2\,\mathrm{d}F(x) < \infty.$$

(i) I note that upon examining the arguments needed to prove (h), one learns that this is an if-and-only-if result. More generally, attempt to prove that

$$\mathrm{E}\,|X|^m < \infty \quad \text{if and only if} \quad \sum_{i=1}^\infty \frac{1}{i^2}\int_{(-i,i)} |x|^{m+1}\,\mathrm{d}F(x) < \infty.$$

(j) We're close to the Pole, ladies and gentlemen. For i.i.d. zero mean variables $X_1, X_2, \ldots$, split them up with the little trick

$$X_i = Y_i + Z_i, \quad \text{with} \quad Y_i = X_i I(|X_i| < i), \quad Z_i = X_i I(|X_i| \geq i).$$

We have $\bar{X}_n = \bar{Y}_n + \bar{Z}_n$, so it suffices to demonstrate that $\bar{Y}_n \to_{\text{a.s.}} 0$ and $\bar{Z}_n \to_{\text{a.s.}} 0$ (since an intersection of two sure events is sure). Use Borel–Cantelli to show that only finitely many Z_i are non-zero, and use previous results to demonstrate $\bar{Y}_n - \bar{\xi}_n \to_{\text{a.s.}} \to 0$ and $\bar{\xi}_n \to 0$, where $\bar{\xi}_n$ is the average of $\xi_i = \mathrm{E}\, Y_i$.

(j) So we've managed to prove the Strong LLN, congratulations. Attempt also to prove the interesting converse that if $\mathrm{E}\,|X_i| = \infty$, then the sequence of sample means is pretty erratic indeed:

$$\Pr\{\limsup_{n\to\infty} \bar{X}_n = \infty\} = 1.$$

Simulate a million realisations from the density $f(x) = 1/x^2$, for $x \geq 1$, in your nearest computer, display the sequence of $\bar{X}_n$ on your screen, and comment.

43. Yes, we converge with probability one

We've proven that the sequence of empirical means converges almost surely to the population mean, under the sole condition that this mean is finite. This half-automatically secures almost sure convergence of various other natural quantities, almost without further efforts.

(a) Suppose $X_1, X_2, \ldots$ are i.i.d. with finite variance σ^2. Show that the classical empirical standard deviation

$$\widehat{\sigma}_n = \Big\{\frac{1}{n-1}\sum_{i=1}^n (X_i - \bar{X}_n)^2\Big\}^{1/2}$$

converges a.s. to σ. Note again that nothing more is required than a finite second moment.

(b) Suppose the third moment is finite, such that the skewness $\gamma_3 = \mathrm{E}\,\{(X-\xi)/\sigma\}^3$ is finite. Show that

$$\widehat{\gamma}_{3,n} = \frac{1}{n}\sum_{i=1}^n \frac{(X_i - \bar{X}_n)^3}{\widehat{\sigma}^3}$$

is strongly consistent for γ_3.

(c) Then suppose the fourth moment is finite, such that the kurtosis $\gamma_4 = \mathrm{E}\,\{(X-\xi)/\sigma\}^4 - 3$ is finite. Construct a strongly consistent estimator for this kurtosis.

(d) Assume that $(X_1, Y_1), (X_2, Y_2), \ldots$ is an i.i.d. sequence of random pairs, with finite variances, and define the population correlation coefficient in the usual fashion, as $\rho = \mathrm{cov}(X, Y)/(\sigma_1\sigma_2)$. Show that the usual empirical correlation coefficient

$$R_n = \frac{\sum_{i=1}^n (X_i - \bar{X}_n)(Y_i - \bar{Y}_n)}{\{\sum_{i=1}^n (X_i - \bar{X}_n)^2\}^{1/2}\{\sum_{i=1}^n (Y_i - \bar{Y}_n)^2\}^{1/2}}$$

converges with probability one hundred percent to ρ.

(e) Formulate and prove a suitable statement regarding almost sure convergence of smooth functions of means.

44. Exam STK 201 1989, #1

Determine for each of the following statements whether it is true or not. If it is correct, give a short proof; if it is incorrect, construct a counterexample.

(a) If X and Y are two real random variables defined on the same probability space, and

$$\phi_X(t) = \mathrm{E}\,\exp(itX) = \mathrm{E}\,\exp(itY) = \phi_Y(t) \quad \text{for all } t,$$

then $X = Y$ with probability 1.

(b) If (X, Y) is a random pair, withe property that

$$\mathrm{E}\,\exp\{i(sX + tY)\} = \mathrm{E}\,\exp(isX)\,\mathrm{E}\,\exp(itY) \quad \text{for all } s \text{ and } t,$$

then X and Y are stochastically independent.

(c) If X_n and X are real random variables, and X_n converges in distribution to X, then

$$\lim_{n\to\infty} \Pr\{X_n = x\} = 0$$

for each continuity point x for the cumulative distribution function for X.

(d) If X_n and X are real random variables, and X_n converges in distribution to X, and a certain set A has the property that $\Pr\{X_n \in A\} = 1$ for every n, then $\Pr\{X \in A\} = 1$ too.

45. Exam STK 201 1989, #2

One wants to estimate the position of a parameter point (a, b) in the plane. For this task one obtains n independent pairs of measurements $(X_1, Y_1), \ldots, (X_n, Y_n)$. These come from the same unknown distribution, but it is known that the X_i have expected value a and standard deviation 1, and that the Y_i have expected value b and standard deviation 1. Finally, X_i and Y_i are uncorrelated.

(a) Introduce $\widehat{a}_n = (1/n)\sum_{i=1}^n X_i$ and $\widehat{b}_n = (1/n)\sum_{i=1}^n Y_i$. Find the simultaneous (joint) limit distrbution for

$$\begin{pmatrix} \sqrt{n}(\widehat{a}_n - a) \\ \sqrt{n}(\widehat{b}_n - b) \end{pmatrix}.$$

(b) Construct an asymptotic 90% simultaneous (joint) confidence region for (a, b). What is the shape of this region?

(c) Itis often useful to give the position of (a, b) in *polar coordinates*, that is, by the length $\rho = (a^2 + b^2)^{1/2}$ and the angle $\theta = \arctan(b/a)$. [This is equivalent to $a = \rho\cos\theta$ and $b = \rho\sin\theta$.] Let

$$\widehat{\rho}_n = (\widehat{a}_n^2 + \widehat{b}_n^2)^{1/2} \quad \text{and} \quad \widehat{\theta}_n = \arctan(\widehat{b}_n/\widehat{a}_n).$$

Find the simultaneous (joint) limit distribution for

$$\begin{pmatrix} \sqrt{n}(\widehat{\rho}_n - \rho) \\ \sqrt{n}(\widehat{\theta}_n - \theta) \end{pmatrix},$$

and comment on thie result. [The derivative of the arctan x function is $1/(1 + x^2)$.]

46. Exam STK 201 1989, #3

Let $X_1, X_2, X_3, \ldots$ be a sequence of independently and identically distributed real random variables. The common distribution of X_i is continuous. Agree to say that if

$$X_n > \max\{X_1, \ldots, X_{n-1}\},$$

then 'X_n has set a new record'. Let

$$R_n = \begin{cases} 1, & \text{if } X_n \text{ has set a new record;} \\ 0, & \text{if } X_n \text{ has not set a new record.} \end{cases}$$

We count X_1 as a 'new record', so that $R_1 = 1$.

(a) Show, by direct arguments, that

$$\Pr\{R_n = 1\} = 1/n \quad \text{for } n \geq 1.$$

Note: One can also prove that the R_n become stochastically independent. You do not have to show this (during exam hours), but you can use the result in the rest of the present exercise.

(b) Let Y_n be the number of new records during the first n observations. Introduce

$$a_n = \sum_{i=1}^n \frac{1}{i} \quad \text{and} \quad \sigma_n^2 = \sum_{i=1}^n \frac{1}{i}\Big(1 - \frac{1}{i}\Big).$$

Show that

$$\frac{Y_n - a_n}{\sigma_n} \to_d \mathrm{N}(0, 1).$$

(c) Then use this result to reach the following:

$$\frac{Y_n - \log n}{\sqrt{\log n}} \to_d \mathrm{N}(0, 1).$$

Here $\log n$ is the natural logarithm (the one with the Ibsen-Tolstoy base number e), and the following mathematical results are at your disposal:

$$\sum_{i=1}^n \frac{1}{i} - \log n \to \gamma = 0.5772..., \sum_{i=1}^\infty \frac{1}{i^2} = \frac{\pi^2}{6} = 1.6449...$$

(d) I wonder: about how many new records will be set during the first million observations? Construct an interval that with probability approximately 95% contains $Y_{1\,000\,000}$.

(e) Let Z_n be the number of new records among the observations $X_{n+1}, \ldots, X_{2n}$. Prove that Z_n converges in distribution to a Poisson with parameter $\lambda = \log 2$.

47. Exam STK 201 1989, #4

The following situation was studied in Exercise 4 of the ST 001 exam in May 1989 (yesterday, actually). Certain measurements $X_1, \ldots, X_n$ are independent and have the same probability density f, with expected value ξ and standard deviation σ. The parameters are unknown. Introduce

$$\widehat{\xi}_n = \bar{X} = \frac{1}{n} \sum_{i=1}^n X_i \quad \text{and} \quad \widehat{\sigma}_n^2 = s^2 = \frac{1}{n-1} \sum_{i=1}^n (X_i - \bar{X})^2.$$

The ST 001 students were among other things asked to answer this question:

(a) Explain briefly how you by counting the number of observations in the intervals $(\bar{X}-s,\bar{X}+s)$, $(\bar{X}-2s,\bar{X}+2s)$, $(\bar{X}-3s,\bar{X}+3s)$ may get a rough idea of whether the observations $X_1,\ldots,X_n$ are normally distributed or not.

The present ST 201 exercise takes a closer look at the intuitive arguments that were expected of the ST 001 students. Assume in what follows that $X_1, X_2, \ldots$ really are independent and normal (ξ,σ^2), so that the common underlying cumulative distribution function is

$$F(t) = \Pr\{X_i \le t\} = \Pr\Big\{\mathrm{N}(0,1) \le \frac{t-\xi}{\sigma}\Big\} = \Phi\Big(\frac{t-\xi}{\sigma}\Big).$$

(a) Let $F_n(t) = (1/n)\sum_{i=1}^n I\{X_i \le t\}$ be the empirical cumulative distribution function. What can you say about the behaviour of F_n for large n?

(b) Asuume that you have succeeded in proving the following statement: For each given c will

$$F_n(\widehat{\xi}_n + c\widehat{\sigma}_n) \to_{\mathrm{a.s.}} F(\xi + c\sigma).$$

Show that this leads to

$$A_n = \frac{1}{n}\sum_{i=1}^n I\Big\{a < \frac{X_i - \widehat{\xi}_n}{\widehat{\sigma}_n} \le b\Big\} \to_{\mathrm{a.s.}} \Pr\{a < \mathrm{N}(0,1) \le b\} = \Phi(b) - \Phi(a).$$

(c) Explain why this gives an answer to the ST 001 exam question quoted above!

(d) Finally, prove the result given in (b). *Note:* There are several ways of proving this result. If you should choose a method of proof that leads to convergence in probability, and not convergence almost surely, then you will still be awarded full score by the examinanation censors & markers.

48. Exam STK 201 1989, cont., #1

Determine for each of the following four statements whether it is correct or wrong. If it is correct, give a brief argument for this; if not, give a counterexample.

(a) Dersom X_n converges in distribution to the normal $\mathrm{N}(0,1)$, then the mean of X_n converges to zero.

(b) Hvis X_n converges to a in probability, then X_n will also converge to a almost surely.

(c) Såfremt $X_n \to_d X$ and $Y_n \to_d Y$, then $X_n + Y_n \to_d X + Y$.

(d) Ifall $X_n = (X_{n,1},\ldots,X_{n,p})^{\mathrm{t}}$ converges in distribution to $X = (X_1,\ldots,X_p)^{\mathrm{t}}$ in distribution, where the components of the latter are independent and standard normal, then $\sum_{i=1}^p X_{n,i}^2$ will converge in distribution to the χ^2_p.

49. Exam STK 201 1989, cont., #2

Let $X_1, X_2, X_3, \ldots$ be a sequence of independently and identically distributed real random variables. The common distribution of X_i is continuous. Agree to say that if

$$X_n > \max\{X_1,\ldots,X_{n-1}\},$$

then 'X_n has set a new record'. Let

$$R_n = \begin{cases} 1, & \text{if } X_n \text{ sets a new record,} \\ 0, & \text{if } X_n \text{ does not set a new record.} \end{cases}$$

We count X_1 as a 'new record', so that $R_1 = 1$.

(a) Show via direct arguments that

$$\Pr\{R_n = 1\} = 1/n \quad \text{for } n \geq 1.$$

(b) Explain what it means that a sequence of random variables are stochastically independent. Show explicitly that R_1, R_2, R_3 are independent. – *Note:* One may show that the full sequence of $R_1, R_2, R_3, \ldots$ are indeed independent, but you need not show this during exam hours. You may however use this fact for the points below.

(c) Let's push the records aside for two minutes, but formulate and prove the so-called Borel–Cantelli lemma.

(d) What is the probability that the sequence $X_1, X_2, X_3, \ldots$ will produce infinitely many records?

50. Exam STK 201 1989, cont., #3

Make the following statement precise, and then prove it: A binomial (n, p) variable is approximately a Poisson, when n is large and p is small.

51. Exam STK 201 1989, cont., #4

The following result is to taken as known: If $Y_1, Y_2, \ldots$ are independent and come from the same distribution, of the parametric form $f(y, \theta)$, and $\widehat{\theta}_n$ is the rimelighetsfunksjonsmaksimeringsestimatoren, then, under appropriate and mild regularity conditions, we have

$$\sqrt{n}(\widehat{\theta}_n - \theta) \to_d \mathrm{N}_p(0, J(\theta)^{-1}).$$

Here p is the dimension of θ, and

$$J(\theta) = \mathrm{E}_\theta\, u(Y, \theta) u(Y, \theta)^{\mathrm{t}} = -\mathrm{E}_\theta \frac{\partial^2 \log f(Y, \theta)}{\partial\theta\partial\theta^{\mathrm{t}}}$$

is Fisher's information matrix, involving also the score function $u(y, \theta) = \partial \log f(y, \theta)/\partial\theta$. Finally E_θ signals expectation under the distribution $f(y, \theta)$.

(a) Assume the parameter θ is one-dimensional. Show that

$$\sqrt{n}(\widehat{\theta}_n - \theta) \to_d \tau(\theta)\mathrm{N}(0, 1),$$

where

$$\tau(\theta) = \frac{1}{\sqrt{-\mathrm{E}_\theta \partial^2 \log f(Y, \theta)/\partial\theta^2}}.$$

(b) Apply this to the exponential model, where $f(y, \theta) = \theta \exp(-\theta y)$ for positive y and θ is a positive parameter.

(c) It is often important to estimate the underlying density behind the observations, say $f(y)$. In the parametric case, where $f(y) = f(y, \theta)$, it is natural to use the simple plug-in estimator $\widehat{f}(y) = f(y, \widehat{\theta}_n)$. Show, in the general but still one-dimensional case, that

$$\sqrt{n}\{f(y, \widehat{\theta}_n) - f(y, \theta)\} \to_d f(y, \theta) u(y, \theta) \tau(\theta) \mathrm{N}(0, 1).$$

(d) An often used measure of quality for a density estimator $\widehat{f}$ for f is the integrated squared error

$$\mathrm{ise}_n = \int \{f(y, \widehat{\theta}_n) - f(y, \theta)\}^2 \, \mathrm{d}y.$$

Show, still for the general but one-dimensional case, that

$$n \, \mathrm{ise}_n \to_d c(\theta) \chi_1^2,$$

where the proportionality factor involved is

$$c(\theta) = \tau(\theta)^2 \int f(y, \theta)^2 u(y, \theta^2) \, \mathrm{d}y.$$

(e) Show that mean integrated squared error,

$$\mathrm{mise}_n = \mathrm{E}_\theta \int \{f(y, \widehat{\theta}_n) - f(y, \theta)\}^2 \, \mathrm{d}y,$$

with a first-order approximation, is equal to $\theta/(4n)$ for the exponential distribution case.

(f) Then establish the following intriguingly simple, general, and informative result concerning iwse_n and miwse_n, the $1/f$ weighted versions of ise_n and mise_n:

$$n \, \mathrm{iwse}_n = n \int \frac{\{f(y, \widehat{\theta}_n) - f(y, \theta)\}^2}{f(y, \theta)} \, \mathrm{d}y \to_d \chi_p^2, \quad \mathrm{miwse}_n \doteq p/n.$$

Again, p is the number of parameters in the model. Note that this result does not depend on *which* parametric model is used, or on the sample space for the observations (or, for that matter, on the dominating measure used to define the densities $f(y, \theta) = \mathrm{d}P_\theta(y)/\partial\mu$).

52. Exam STK 201 1995, #1

Here are some questions from the core curriculum of the course.

(a) Explain what a probability spacae $(\Omega, \mathcal{A}, P)$ is. List the demands for P being a probability measure.

(b) From the definitions in (a), show that if $B_1, B_2, \ldots$ are arbitrary sets in $\mathcal{A}$, then we have $P(\cup_{i=1}^n B_i) \leq \sum_{i=1}^n P(B_i)$, and also $P(\cup_{i=1}^\infty B_i) \leq \sum_{i=1}^\infty P(B_i)$.

(c) Formulate and prove the so-called Borel–Cantelli lemma.

53. Exam STK 201 1995, #2

This exercise concerns the use of characteristic functions to, well, characterise distributions.

(a) Define the characteristic function ϕ for a real random variable X. Show that this function is bounded and uniformly continuous.

(b) Assume X has mean zero and finite variance σ^2. Show that

$$\phi(t) = 1 - \tfrac{1}{2}\sigma^2 t^2 + o(t^2).$$

[Here I wish for 'direct arguments using the definitions'; simply saying this is inside the curriculum is not sufficient, on this particular occasion.]

(c) Let in this point X and X' be independent and normal $(0, \sigma^2)$ variables. Show, using characteristic functions, that $(X+X')/\sqrt{2}$ has the same distribution as each of the two observations. Give a generalisation.

(d) Let X be as in point (b), and assume that its distribution has the invariance property from point (c), i.e. that if X and X' are independent with this same distribution, then $(X+X')/\sqrt{2}$ has the same distribution as each of X and X'. Show that this leads to

$$\phi\Big(\frac{t}{2^{k/2}}\Big)^{2^k} = \phi(t) \quad \text{for all natural numbers } k \text{ and all real } t.$$

(e) Show that the assumption of point (d) implies that X by necessity must be normally distributed, or equal to zero. – The zero-mean normal is hence the only distribution in this universe with the $(X + X')/\sqrt{2} \sim X$ property.

54. Exam STK 201 1995, #3

This exercise works itself towards the construction of a certain natural test for the hypothesis that different groups of normally distributed data have the same standard deviation. Such a test is important also since many standard techniques use such an equality of spread parameters as a basic working assumption.

(a) Let $Y_1, \ldots, Y_n$ be independent with the same distribution, and assume this distribution has a finite fourth moment. Let mean and standard deviation be μ and σ, and let $\gamma_4 = \mathrm{E}\,(Y - \mu)^4/\sigma^4 - 3$ be the so-called kurtosis. Construct a consistent estimator for γ_4.

(b) The usual empirical variance is $\widehat\sigma_n^2 = (1/n)\sum_{i=1}^n (Y_i - \bar Y_n)^2$, where $\bar Y_n$ is the sample mean $(1/n)\sum_{i=1}^n Y_i$. Show that

$$\sqrt{n}(\widehat\sigma_n^2 - \sigma^2) \to_d \mathrm{N}(0, \sigma^4(2 + \gamma_4)).$$

(c) Find the limit distribution for $\sqrt{2n}(\log\widehat\sigma_n - \log\sigma)$. Show in particular that the limit is the standard normal $\mathrm{N}(0, 1)$ in the case where the X_i are normal.

(d) Construct a confidence interval with coverage approximately 90% for σ, which ought to be valid also outside normal conditions.

(e) Assume now that there are n observations for each of five normally distributed populations, with standard devivations $\sigma_1, \ldots, \sigma_5$. Let further $\widehat\sigma_{n,j}^2$ be the empirical variance for group j, for $j = 1, \ldots, 5$. Find the limit distribution for

$$\begin{pmatrix} \sqrt{2n}(\log\widehat\sigma_{n,1} - \log\sigma_1) \\ \vdots \\ \sqrt{2n}(\log\widehat\sigma_{n,5} - \log\sigma_5) \end{pmatrix}.$$

(f) Construct a test for the hypothesis $H_0\colon \sigma_1 = \cdots = \sigma_5$, using the result from the previous point, and which should have limiting significance level 5 percent. [For simplicity it is assumed that there are equally many observations in each group here. It is however not difficult to generalise this to the case of sample sizes $n_1, \ldots, n_5$ being different. You may do this after exam hours.]

55. Exam STK 201 1995, #4

This exercise concerns estimation in the so-called truncated Poisson model.

(a) Assume that a certain Y_0 has a Poisson distribution with parameter θ, but that X_0 can only be observed if its value is at least 1. Let Y be such an observation. Show that its probability distribution is

$$\Pr\{Y = y\} = f(y, \theta) = \frac{\exp(-\theta)\theta^y/y!}{1 - \exp(-\theta)} \quad \text{for } y = 1, 2, 3, \ldots.$$

(b) Assume $Y_1, Y_2, \ldots$ are independent observations from such a truncated Poisson distribution. Put up an equation to determine the rimelighetsfunksjonsmaksimeringsestimatoren $\widehat{\theta}_n$ for θ.

(c) Describe the large-sample behaviour of $\widehat{\theta}_n$, e.g. by using results about the rimelighetsfunksjonsmaksimeringsestimatorsekvensen from the course curriculum.

(d) Suppose now that one cannot necessarily trust the parametric modelling assumption of (a), but that there is a certain underlying true data generating mechanism, on $\{1, 2, 3, \ldots\}$. Assume that this true distribution has a finite mean ξ and standard deviation τ. Explain what the rimelihetsfunksjonsmaksimeringsestimatoren $\widehat{\theta}_n$ converges towards, under these wider assumptions. Express your answers in terms of ξ and τ.

56. Exam STK 201 1995, #5

The usual ingredients in so-called linear-normal statistical theory are as follows: (i) observations are independent; (ii) they have the same variance; (iii) the mean structure is linear in certain explanatory variables, or covariates; and (iv) the underlying distribution is normal. Under these assumptions there is as we know built a broad, very frequently applied, and exact theory.

This particular exercise is meant to illustrate that one also might come a long way also in the absence of the exact normality condition (iv). Assume that

$$Y_i = \beta x_i + \varepsilon_i \quad \text{for } i = 1, \ldots, n,$$

where the x_i are given, and where the error terms $\varepsilon_1, \ldots, \varepsilon_n$ are independent from the same distribution, with mean zero and standard deviation σ (i.e. without the traditional extra words 'and their distribution is normal'). The parameters β and σ are unknown and need to be estimated.

(a) Show that the least squares estimator for β is $\widehat{\beta}_n = \sum_{i=1}^n x_i Y_i / M_n$, where $M_n = \sum_{i=1}^n x_i^2$. Give an estimator also for σ.

(b) Under the exact normality assumption it holds that $Z_n = M_n^{1/2}(\widehat{\beta}_n - \beta)$ is normal $(0, \sigma^2)$, and the classical inference methods are based on this fact. Your task is now to demonstrate that the limit distribution of Z_n is indeed this $\mathrm{N}(0, \sigma^2)$, under certain conditions, but without assuming that the ε_i follow a normal distribution.

(c) Construct a confidence interval for β with coverage converging to 0.90, and make your assumptions and arguments clear.

57. How large is the last time?

Let $Y_1, Y_2, \ldots$ be an infinite sequence of independent normal (ξ, σ^2) variables, and let $\widehat{\xi}_n, \widehat{\sigma}_n$ be the maximum likelihood estimators.

(a) Find these, by all means & for all del.

(b) Show that

$$\begin{pmatrix} \sqrt{n}(\widehat{\xi}_n - \xi) \\ \sqrt{n}(\widehat{\sigma}_n - \sigma) \end{pmatrix} \to_d \mathrm{N}_2(\begin{pmatrix} 0 \\ 0 \end{pmatrix}, \begin{pmatrix} \sigma^2 & 0 \\ 0 & \frac{1}{2}\sigma^2 \end{pmatrix}).$$

(c) Results from Hjort and Fenstad (1992) may be applied here, to show that the following. Let $N_{1,\varepsilon}$ is the very last time $|\widehat{\xi}_n - \xi| \geq \varepsilon$, and $N_{2,\varepsilon}$ the very last time $|\widehat{\sigma}_n - \sigma| \geq \varepsilon$. Why are $N_{1,\varepsilon}$ and $N_{2,\varepsilon}$ well-defined random variables? Then

$$\begin{pmatrix} \varepsilon^2 N_{1,\varepsilon} \\ \varepsilon^2 N_{2,\varepsilon} \end{pmatrix} \to_d \begin{pmatrix} \sigma^2 W_{1,\max}^2 \\ \frac{1}{2}\sigma^2 W_{2,\max}^2 \end{pmatrix}$$

when ε marches to zero, where $W_{1,\max}$ and $W_{2,\max}$ are the maximal absolute values ot two independent Brownian motions over the $[0,1]$ interval. (You are not yet supposed to show this.) Let N_ε tbe the very last n where either $|\widehat{\xi}_n - \xi| \geq \varepsilon$ or $|\widehat{\sigma}_n - \sigma| \geq \varepsilon$. Show that

$$\varepsilon^2 N_\varepsilon \to_d \sigma^2 \max\{W_{1,\max}^2, W_{2,\max}^2\}.$$

Attempt to finds its distribution.

(d) Generalise.

58. Bernshteĭn and Weierstraß

In c. 1885, Karl Weierstraß proved one of the fundamental and insightful results of approximation theory, that any given continuous function can be approximated uniformly well, on any finite interval, by polynomials (see also Hveberg, 2019). A generation or so later, such results have been generalised to so-called Stone–Weierstraß theorems, stating, in various forms, that certain classes of functions are rich enough to deliver uniform approximations to bigger classes of functions. This is useful also in branches of probability theory.

In the present exercise we give a *constructive and relatively straightforward* proof of the Weierstraß theorem, involing so-called Bernshteĭn polynomials. Let $g\colon [0,1] \to \mathcal{R}$ be continuous, and construct

$$B_n(p) = \mathrm{E}_p\, g(X_n/n) = \sum_{j=0}^{n} g(j/n) \binom{n}{j} p^j (1-p)^{n-j} \quad \text{for } p \in [0,1],$$

where $X_n \sim \mathrm{Bin}(n, p)$. Note that $B_n(p)$ is a polynomial of degree n.

(a) Show that $B_n(p) \to_{\mathrm{pr}} g(p)$, for each p.

(b) Then show that the convergence is actually uniform. For $\varepsilon > 0$, find $\delta > 0$ such that $|x - y| < \delta$ implies $|g(x) - g(y)| < \varepsilon$ (which is possible, in that a continuous function on a compact interval is always uniformly continuous). Then fill in the required arguments for the following:

$$\begin{aligned}|B_n(p) - g(p)| &\le \mathrm{E}_p\,|g(X_n/n) - g(p)| \\ &\le \mathrm{E}_p\,|g(X_n/n) - g(p)|\,I\{|X_n/n - p| < \delta\} \\ &\qquad\qquad + \mathrm{E}_p\,|g(X_n/n) - g(p)|\,I\{|X_n/n - p| \ge \delta\} \\ &\le \varepsilon + 2M\,\Pr\{|X_n/n - p| \ge \delta\},\end{aligned}$$

with M a bound on $|g(x)|$.

(c) Show from this that

$$\max_p |B_n(p) - g(p)| \to 0 \quad \text{as } n \to \infty.$$

(d) Consider the marvellous function

$$g(x) = \exp(1.234\sin^3\sqrt{x}) + \exp(-4.321\cos^5 x^2)$$

on the unit interval. Compute the Bernshteĭn polynomials of orders say 10, 20, 30, 40, 50, and display these in a diagram, alongside the curve of g. How high n is needed for the maximum absolute difference to creep below 0.01?

(e) Let now $g(x, y)$ be an arbitrary function on the unit simplex, $\{(x, y) \colon x \ge 0, y \ge 0, x + y \le 1\}$. Construct a mixed polynimal $B_n(x, y)$ of degree n such that it converges uniformly to g on the simplex.

(f) Speculation, Your Honor: a distribution F *is* completely specified by its characteristic function

$$\phi(t) = \mathrm{E}\,\exp(itX) = \int \cos(tx)\,\mathrm{d}F(x) + i\int \sin(tx)\,\mathrm{d}F(x).$$

This can be proven in various ways, see earlier Exercises 15–16. But it may be attacked afresh, in the spirit of Weierstraß type approximations etc. It is sufficient to show that with two distributions F and G with the same $\phi(t)$, we must have $\int h\,\mathrm{d}F = \int h\,\mathrm{d}G$ for each continuous bounded h (cf. the master theorem of Exercise 6). From the assumption we know that

$$\int h^*(x)\,\mathrm{d}F(x) = \int h^*(x)\,\mathrm{d}G(x) \quad \text{for all } h^*(x) = \sum_{j=1}^m a_j\{\cos(t_j x) + i\sin(t_j x)\}.$$

So try to show that for the given continuous and bounded h, and for each bounded interval $[-c, c]$ and $\varepsilon > 0$, there must exist such a function h^* with $\max_{x\in[-c,c]} |h(x) - h^*(x)| \le \varepsilon$. Prove that this would be sufficient to prove that $F = G$ (once again). Could there be a Bernshteĭn type result lurking here?

59. Even more on characteristic functions

Here we go into a couple of helpful intermediate results for characteristic functions. Let $\phi(t) = \mathrm{E}\,\exp(itX)$, for X with a distribution F.

(a) Show that $|\exp(it)-1|\le|t|$ for all t, and that this implies

$$|\phi(t)-1|\le\int|tx|\,\mathrm{d}F(x)=|t|\,\mathrm{E}\,|X|.$$

(b) Show that $|\exp(it)-1-it|\le\frac{1}{2}|t|^2$ for all t, and with $\xi=\mathrm{E}\,X$ show that this implies

$$|\phi(t)-1-it\xi|\le\tfrac{1}{2}|t^2|\,\mathrm{E}\,|X|^2.$$

(c) Generalise further to

$$|\exp(it)-1-it-\tfrac{1}{2}(it)^2|\le\tfrac{1}{6}|t|^3\quad\text{for all } t.$$

Assume $\xi=\mathrm{E}\,X=0$ and that $\mathrm{Var}\,X=\sigma^2$ is finite. Show that if also the third moment is finite, then

$$|\phi(t)-1-\tfrac{1}{2}(it)^2\sigma^2|=|\phi(t)-(1-\tfrac{1}{2}t^2\sigma^2)|\le\tfrac{1}{6}|t|^3\,\mathrm{E}\,|X|^3.$$

In particular,

$$\phi(t)=1-\tfrac{1}{2}\sigma^2t^2+O(|t|^3).$$

(d) Show that we may rid ourselves with the finite third moment assumption here, by proving that

$$\phi(t)=1-\tfrac{1}{2}\sigma^2t^2+o(|t|^2),$$

under only zero mean and finite σ conditions. Specifically, the task is to show that

$$\frac{1}{t^2}\int\{\exp(itx)-1-itx-\tfrac{1}{2}(it)^2x^2\}\,\mathrm{d}F(x)\to 0\quad\text{as } t\to 0.$$

This is also related to the fact that when $\mathrm{E}\,|X|^2$ is finite, then

$$\phi''(t)=\mathrm{E}\,(iX)^2\exp(itX)=\int(ix)^2\exp(itx)\,\mathrm{d}F(x)$$

exists and is a continuous function in t.

(e) Use induction to show that

$$|\exp(it)-1-it-\tfrac{1}{2}(it)^2-\cdots-(1/m!)(it)^m|\le|t|^{m+1}/(m+1)!\quad\text{for all } t,$$

and that this implies

$$|\phi(t)-1-it\,\mathrm{E}\,X-\tfrac{1}{2}(it)^2\,\mathrm{E}\,X^2-\cdots-(1/m!)(it)^m\,\mathrm{E}\,X^m|\le\frac{|t|^{m+1}\,\mathrm{E}\,|X|^{m+1}}{(m+1)!}.$$

Show also, without a finite $\mathrm{E}\,|X|^{m+1}$, that if $\mathrm{E}\,|X|^m$ is finite, then

$$\phi^{(m)}(t)=\mathrm{E}\,(iX)^m\exp(itX)=\int(ix)^m\exp(itx)\,\mathrm{d}F(x),$$

and that this function is continous in t.

60. A tail inequality & tightness & limits

Let X have distribution F and characteristic function ϕ. The aim of this exercise is to establish the useful tail inequality

$$\Pr\Big\{|X| \ge \frac{2}{\varepsilon}\Big\} \le \frac{1}{\varepsilon}\int_{-\varepsilon}^{\varepsilon} \{1-\phi(t)\}\,\mathrm{d}t.$$

So, tail probabilities for X are tied to the behaviour of ϕ close to zero.

(a) Use the Fubini theorem (you know, interchanging the order of integration) to demonstrate that

$$\int_{-\varepsilon}^{\varepsilon} \{1-\phi(t)\}\,\mathrm{d}t = 2\varepsilon \int \Big(1 - \frac{\sin x\varepsilon}{x\varepsilon}\Big)\,\mathrm{d}F(x).$$

In particular, the integral of $\phi(t)$ over an interval symmetric around zero is really a real number (i.e. the complex component disappears).

(b) Deduce that

$$\frac{1}{\varepsilon}\int_{-\varepsilon}^{\varepsilon} \{1-\phi(t)\}\,\mathrm{d}t \ge 2\int_{|x\varepsilon|\ge c} \Big(1 - \frac{\sin x\varepsilon}{x\varepsilon}\Big)\,\mathrm{d}F(x) \ge 2(1-1/c)\Pr\{|X| \ge c/\varepsilon\},$$

with the value $c=2$ yielding the inequality given above.

(c) For the case of X being standard normal, check the precision of the tail inequality. (The ansswer appears to be: no, it's rather unsharp, and is utterly conservative in its tail probability assessment.) From the simple approximation $\phi(t) \doteq 1 - \frac{1}{2}\sigma^2 t^2$, for t small, for a variable with zero mean and standard deviation σ, work out that $\Pr\{|X| \ge 2/\varepsilon\} \le (1/3)\sigma^2\varepsilon$. Explain why this is blunter, as in less sharp, than with e.g. the Chebyshov inequality.

(c) If we now have a collection of random variables, where their characteristic functions have approximately the same level of smoothness around zero, then we should get *tightness*, a guarantee there is no runaways with mass escaping from the crowd. Assume that X_n has characteristic function ϕ_n, with $\phi_n(t)$ converging pointwise to some $\phi(t)$, continuous at zero, on some $[-\varepsilon, \varepsilon]$. For a given ε', find ε such that $|1-\phi(t)| \le \varepsilon'$ for $|t| \le \varepsilon$. Show that

$$\limsup_{n\to\infty} \Pr\{|X_n| \ge 2/\varepsilon\} \le \frac{1}{\varepsilon}\int_{-\varepsilon}^{\varepsilon} \{1-\phi(t)\}\,\mathrm{d}t \le 2\varepsilon'.$$

We've hence found a broad interval, namely $[-2/\varepsilon, 2/\varepsilon]$, inside which each single X_n lies, with high enough probability. This is called *tightness* of the X_n sequence.

(d) It's somewhat technical, but the following argument can be understood even without the finest nitty-gritty details. With the situation as in point (c), there is always *some* subsequence, say $X_{n'}$ for some subsequence n' running to infinity, such that their cumulative distribution functions $F_{n'}$ tends to some appropriate nondecreasing right-continuous F on the latter's continuity points – but technically speaking we do not know yet that F is a proper cumulative distribution function; it could be degenerate. With the tightness, however, we're guaranteed that F is bona fide, with $F(-\infty)=0$ and $F(\infty)=1$. Hence $X_{n'} \to_d X$, for the X having this F as its cumulative. But that again implies $\phi_{n'}(t) \to \phi_X(t)$, pointwise, and the limit function $\phi(t)$ is identical to $\phi_X(t)$ and hence a bona fide characteristic function.

(e) Verify that all of this implies the following highly useful device: Suppose X_n is such that its characteristic function $\phi_n(t)$ converges to *some* $\phi(t)$, in a neighbourhood around zero, and that the limit function $\phi(t)$ is continuous at zero. Then (1) the limit is a characteristic function, for some appropriate X, and, lo & behold, $X_n \to_d X$. – The point is also that in some cases, one discovers and then proves the existence of a new probability distribution in this fashion.

(f) Suppose you just arrived at this planet this morn' and first invented the super-simple two-point distribution with values ± 1 with equal probabilities $\frac{1}{2}$ and $\frac{1}{2}$ – show that its characteristic function is $\phi(t) = \cos t$. Then you wonder what happens if you sum outcomes of that distribution, and form $Z_n = \sum_{i=1}^n X_i/\sqrt{n}$. Then you deduce that this variable's characteristic function is $\cos(t/\sqrt{n})^n$, and then that it converges ... to $\exp(-\frac{1}{2}t^2)$. You would then have discovered, and proven the existence of, the standard normal distribution, from the proverbial scratch.

61. The Liapunov and Lindeberg theorems: main story

When Jarl Waldemar Lindeberg was reproached for not being sufficiently active in his scientific work, he said, 'Well, I am really a farmer'. And if somebody happened to say that his farm was not properly cultivated, his answer was, 'Of course my real job is to be a mathematics professor'. Hundred years ago!, i.e. in 1920, he published his first paper on the CLT, and in 1922 he generalised his findings to the classical Lindeberg Theorem, with the famous Lindeberg Condition, securing limiting normality of a sum of independent but not identically distributed random variables. He did not know about Ляпунов's earlier work, and therefore not about условие Ляпунова, the Lyapunov condition, which we treat below as a simpler-to-reach condition than the more general one of Lindeberg. Other lumaries whose work touch on these themes around the 1920ies and beyond include Paul Lévy, Harald Cramér, William Feller, and, intriguingly, Alan Turing who (allegedly) won the war and invented computers etc.

So let $X_1, X_2, \ldots$ be independent zero-mean variables with at the outset different distributions $F_1, F_2, \ldots$ and hence different standard deviations $\sigma_1, \sigma_2, \ldots$. Below we also need their characteristic functions $\phi_1, \phi_2, \cdots$. The question is when we can rest assured that the normalised sum,

$$Z_n = \frac{X_1 + \cdots + X_n}{B_n} = \frac{\sum_{i=1}^n X_i}{(\sum_{i=1}^n \sigma_i^2)^{1/2}},$$

really tends to the standard normal, as n increases.

(a) As an introductory useful lemma, demonstrate the following. With $a_1, a_2, \ldots$ a sequence of numbers coming closer to zero, we have $\prod_{i=1}^n (1 + a_i) \to \exp(a)$ provided (1) $\sum_{i=1}^n a_i \to a$; (2) $\max_{i \le n} |a_i| \to 0$; and (3) $\sum_{i=1}^n |a_i|$ stays bounded. It may be helpful to show first that

$$\log(1 + x) = x - \tfrac{1}{2}x^2 + \tfrac{1}{3}x^3 - \cdots = x + K(x)x^2,$$

with $K(x)$ is a continuous function such that $|K(x)| \le 1$ for $|x| \le \frac{1}{2}$, and $K(x) \to -\frac{1}{2}$ when $x \to 0$. These statements are valid also when the a_i are the x are complex numbers inside the unit ball, in which case the logarithm is the natural complex extension of the real logarithm. The lemma is stated, proven, and used in Hjort (1990, Appendix).

(b) Show that Z_n has characteristic function

$$\kappa_n(t) = \mathrm{E}\,\exp(itZ_n) = \phi_1(t/B_n)\cdots\phi_n(t/B_n).$$

(c) We know that $\phi_i(s) \doteq 1 - \frac{1}{2}\sigma_i^2 s^2$ for small s, so the essential idea is to write

$$\kappa_n(t) = \prod_{i=1}^n \{1 - \tfrac{1}{2}\sigma_i^2 t^2/B_n^2 + \varepsilon_{n,i}(t)\}$$

and not give up until one has found conditions that secure convergence to the desired $\exp(-\frac{1}{2}t^2)$. In view of the lemma of (a), this essentially takes

(1) $\sum_{i=1}^n \varepsilon_{n,i}(t) \to 0$;

(2) $\max_{i\le n}\sigma_i^2/B_n^2 \to 0$ and $\max_{i\le n}|\varepsilon_{n,i}(t)| \to 0$; and

(3) $\sum_{i=1}^n |1 - \phi_i(t/B_n)|$ staying bounded.

Show that

$$\begin{aligned}|\phi_i(s) - (1 - \tfrac{1}{2}\sigma_i^2 s^2)| &= \Big|\int \{\exp(isx) - 1 - isx - \tfrac{1}{2}(isx)^2\}\,\mathrm{d}F_i(x)\Big| \\ &\le \int |\exp(isx) - 1 - isx - \tfrac{1}{2}(isx)^2|\,\mathrm{d}F_i(x) \\ &\le \tfrac{1}{6}|s|^3\,\mathrm{E}\,|X_i|^3.\end{aligned}$$

(d) This leads to the условие Ляпунова version of the Lindeberg theorem: show that if the variables all have finite third order moments, with $B_n \to \infty$ and

$$\sum_{i=1}^n \mathrm{E}\Big|\frac{X_i}{B_n}\Big|^3 \to 0,$$

then $\kappa_n(t) \to \exp(-\frac{1}{2}t^2)$, which we know is equivalent to the glorious $Z_n \to_d \mathrm{N}(0,1)$. This is (already) a highly signficant extension of the CLT. If the X_i are uniformly bounded, for example, with B_n of order $\sqrt{n}$, which would rather often be the case, then the условие Ляпунова holds. It is also possible to refine arguments and methods to show that

$$\sum_{i=1}^n \mathrm{E}\Big|\frac{X_i}{B_n}\Big|^{2+\delta} \to 0, \quad \text{for some } \delta > 0,$$

is sufficient for limiting normality.

(e) The issue waits however for an even milder and actually minimal conditions, and that is, precisely, the Lindeberg condition:

$$\sum_{i=1}^n \mathrm{E}\Big|\frac{X_i}{B_n}\Big|^2 I\Big\{\Big|\frac{X_i}{B_n}\Big| \ge \varepsilon\Big\} \to 0 \quad \text{for all } \varepsilon > 0.$$

Show that if условие Ляпунова is in force, then the Lindeberg condition holds (so farmer Lindeberg assumes less than Lyapunov).

(f) Inlow (2010) has shown how one can prove the usual CLT without the technical use of characteristic and hence complex functions. Essentially, he writes the X_i in question as $Y_i + Z_i$ with $Y_i = X_i\, I\{|X_i| \le \varepsilon\sqrt{n}\}$ and $Z_i = X_i\,\{|X_i| > \varepsilon\sqrt{n}\}$, after which 'ordinary' moment-generating functions may be used for the part involving the Y_i, yielding the normal limit, supplemented with analysis to show that the part involving the Z_i tends to zero in probability. – It is a non-trivial matter to extend Inlow's arguments, from the CLT to the Lindeberg theorem, but this is precisely what Emil Stoltenberg (2019) has done, in a technical note to the STK 4011 course (he's incidentally too modest when he writes that his note is an epsilon-extension of Inlow's 2010 paper; the extension is harder than several ε). Check his note, on the course website, and make sure you understand his main tricks and steps.

62. The Lindeberg theorem: nitty-gritty details

The essential story, regarding Lyapunov and Lindeberg, has been told in the previous exercise. Here we tend to the smaller-level but nevertheless crucial remaining details, in order for the ball to be shoven across the finishing line after all the preliminary work. You may also check partly corresponding details in Stoltenberg's note (2019). Again, let $X_1, X_2, \ldots$ be independent, with distributions $F_1, F_2, \ldots$, standard deviations $\sigma_1, \sigma_2, \ldots$, and characteristic functions $\phi_1, \phi_2, \ldots$. The creature studied is

$$Z_n = \frac{X_1 + \cdots + X_n}{(\sigma_1^2 + \cdots + \sigma_n^2)^{1/2}} = \sum_{i=1}^n \frac{X_i}{B_n},$$

with $B_n^2 = \sum_{i=1}^n \sigma_i^2$. We assume the условие Линдеберга, that

$$L_n(\varepsilon) = \sum_{i=1}^n \mathrm{E}\,\Big|\frac{X_i}{B_n}\Big|^2 I\Big\{\Big|\frac{X_i}{B_n}\Big| \ge \varepsilon\Big\} \to 0 \quad \text{for all } \varepsilon > 0.$$

(a) Show that $B_n \to \infty$, and that

$$\alpha_n = \max_{i \le n} \frac{\sigma_i^2}{B_n^2} \to 0.$$

From this in particular follows

$$|\phi_i(t/B_n) - 1| \le \int |\exp(itx/B_n) - 1 - itx/B_n|\,\mathrm{d}F_i(x) \le \tfrac12 t^2 \int (x/B_n)^2\,\mathrm{d}F_i(x) \le \tfrac12 t^2 \alpha_n,$$

so all $\phi_i(t/B_n)$ are eventually inside radius say $\frac12$ of 1, which means we're in a position to take the logarithm and work with

$$\kappa_n(t) = \log \mathrm{E}\,\exp(itZ_n) = \sum_{i=1}^n \log \phi_i(t/B_n)$$

etc.; see the start lemma of the preceding exercise.

(b) In continuation and refinement of arguments above, show that

$$\begin{aligned}
|\phi_i(t/B_n) - (1 - \tfrac12 \sigma_i^2 t^2/B_n^2)| &= \Big|\int \{\exp(itx/B_n) - 1 - itx/B_n - \tfrac12 (itx/B_n)^2\}\,\mathrm{d}F_i(x)\Big| \\
&\le \int |\exp(itx/B_n) - 1 - itx/B_n - \tfrac12 (itx/B_n)^2|\,\mathrm{d}F_i(x) \\
&\le \int_{|x|/B_n \le \varepsilon} \tfrac16 \frac{|t|^3|x|^3}{B_n^3}\,\mathrm{d}F_i(x) \\
&\qquad + \int_{|x|/B_n > \varepsilon} \Big(\tfrac12 \frac{|t|^2|x|^2}{B_n^2} + \tfrac12 \frac{|t|^2|x|^2}{B_n^2}\Big)\,\mathrm{d}F_i(x) \\
&\le \tfrac16 |t|^3 \varepsilon \frac{\sigma_i^2}{B_n^2} + t^2\,\mathrm{E}\,\Big|\frac{X_i}{B_n}\Big|^2 I\Big\{\Big|\frac{X_i}{B_n}\Big| \ge \varepsilon\Big\}.
\end{aligned}$$

(c) Show that this leads to

$$\sum_{i=1}^n \big|\phi_i(t/B_n) - (1 - \tfrac12\sigma_i^2 t^2/B_n^2)\big| \le \tfrac16 |t|^3\varepsilon + t^2\, L_n(\varepsilon),$$

and via the start lemma of the previous exercise that this secures what we were after, that $\prod_{i=1}^n \phi_i(t/B_n) \to \exp(-\frac12 t^2)$ and hence triumphantly $Z_n \to_d \mathrm{N}(0,1)$, under the Lindeberg condition only.

63. Convergence in Euclidean space

[xx spelling out the basics for $X_n \to_d X$ in $\mathcal{R}^k$. The Portmanteau Lemma holds, with the required modifications. Also, $X_n \to_d X$ is equivalent to

$$\phi_n(t) = \mathrm{E}\,\exp(it^{\mathrm t} X_n) \to \phi(t) = \mathrm{E}\,\exp(it^{\mathrm t} X) \quad \text{for all } t \in \mathcal{R}^k.$$

show that if $X \sim \mathrm{N}_k(0,\Sigma)$, then

$$\phi(t) = \exp(-\tfrac12 t^{\mathrm t}\Sigma t).$$

a simple example or two. xx]

64. The Cramé–Wold device

Consider random vectors X_n and X in $\mathcal{R}^k$. Using the characterisations of convergence of distributions via characteristic functions, show that $X_n \to_d X$ if and only if all linear combinations converge appropriately, i.e. $a^{\mathrm t} X_n \to_d a^{\mathrm t} X$ for all a. This is called the Cramér–Wold device, from Harald Cramér and Herman Wold (1936).

(a) Prove the k-dimensional Central Limit Theorem: if $X_1, X_2, \ldots$ are i.i.d. in $\mathcal{R}^k$ with finite variance matrix $\Sigma = \mathrm{E}\,(X-\xi)(X-\xi)^{\mathrm t}$, then

$$Z_n = \sqrt{n}(\bar X_n - \xi) \to_d \mathrm{N}(0,\Sigma).$$

(b) Let $X_1, X_2, \ldots$ be i.i.d. from the unit exponential distribution. Find first the limit distributions of $\sqrt{n}(n^{-1}\sum_{i=1}^n X_i - 1)$ and $\sqrt{n}(n^{-1}\sum_{i=1}^n X_i^2 - 2)$. Then find the joint limit distribution of

$$\begin{pmatrix} \sqrt{n}(\bar X_n - 1) \\ \sqrt{n}(W_n - 2) \end{pmatrix},$$

with $\bar X_n = n^{-1}\sum_{i=1}^n X_i$ and $W_n = n^{-1}\sum_{i=1}^n X_i^2$, and also the limit distribution of $\sqrt{n}(W_n/\bar X_n - 2)$.

(c) Suppose $X_1, X_2, \ldots$ are independent with mean zero and variance matrices $\Sigma_1, \Sigma_2, \ldots$; their distributions are here not assumed to be equal. Find suitable conditions, of the Lyapunov or Lindeberg type, which secure limiting normality of $\sum_{i=1}^n X_i$, suitably normalised.

65. Convergence of means

well

66. The last time for estimator functionals

[xx point to Steffen Grønneberg's master thesis and later paper, and also Hjort and Fenstad (1992). xx]

67. Confidence ellipsoids

well

68. The arctan estimator

well

69. Behaviour of the maximum likelihood estimator, under model conditions

well

70. Behaviour of the maximum likelihood estimator, under agnostic conditions

well

71. The Wilks theorem

well

72. Confidence curves

[xx spell out the basic

$$\mathrm{cc}_n(\psi_0) = \Gamma_1(D_n(\psi_0)) \to_d \mathrm{unif},$$

with

$$D_n(\psi) = 2\{\ell_{n,\mathrm{prof}}(\widehat{\psi}) - \ell_{n,\mathrm{prof}}(\psi)\}$$

being the so-called deviance function. this leads to an approximate confidence curve. xx]

73. Integrate and display your integrity

well

99. Yet other things to come

[xx We'll see what I manage or decide to put in, in this growing collection of both exercises and lecture notes. There must be empirical processes, some empirical likelihood, confidence curves, something with nonstandard limits, and the Aalen–Nelson and Kaplan–Meier estimators. With applications. And Cramér–Wold. And Hjort and Fenstad (1992) for the last n, and Hjort and Pollard (1994) for asymptotics for minimisers. xx]

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