

1 Distributions

Uniform: $f(x) = \frac{1}{b-a}; a \leq x \leq b;$

$$\bar{X} = \frac{a+b}{2}; \text{Var}(x) = \frac{(b-a)^2}{12}$$

$$mgf = \frac{e^{tb} - e^{ta}}{t(b-a)}$$

Normal: $f(x) = \frac{1}{\sigma\sqrt{2\pi}} \exp \frac{-1}{2\sigma^2}(x - \mu)^2;$

$$\bar{X} = \mu; \text{Var}(x) = \sigma^2;$$

$$mgf = \exp \mu t + \frac{t^2 \sigma^2}{2};$$

Exponential: $f(x) = \frac{1}{\beta} e^{-\frac{x}{\beta}};$

$$\bar{X} = \beta; \text{Var}(x) = \beta^2;$$

$$mgf = (1 - \beta t)^{-1};$$

Gamma: $f(x) = \frac{1}{\Gamma(\alpha)\beta^\alpha} x^{\alpha-1} e^{-\frac{x}{\beta}};$

$$\bar{X} = \alpha\beta; \text{Var}(x) = \alpha\beta^2;$$

$$mgf = (1 - \beta t)^{-\alpha}; \Gamma(\alpha) = \int_0^\infty y^{\alpha-1} e^{-y} dy$$

Beta: $f(x) = \frac{\Gamma(\alpha+\beta)}{\Gamma(\alpha)\Gamma(\beta)} x^{\alpha-1} (1-x)^{\beta-1};$

$$\bar{X} = \frac{\alpha}{\alpha+\beta};$$

$$\text{Var}(x) = \frac{\alpha\beta}{(\alpha+\beta)^2(\alpha+\beta+1)};$$

2 Misc

Moment Generating Function:

$$m_{X_1, \dots, X_n} = \mathbb{E}[e^{tX_1 + \dots + tX_n}] \stackrel{iid}{=} \prod_{i=1}^n \mathbb{E}[e^{tX_i}]$$

Jacobian Method: $Y = g(X)$ with $g(X)$ monotone:

$$f_Y(y) = f_X(g^{-1}) \left| \frac{d}{dy} g^{-1}(y) \right|.$$

If $g(X)$ not monotone, then f_Y is sum of piecewise monotone $g_i(X)$.

3 Order Statistics

Maximum: $F_{X_{(n)}}(x) = F_X(x)^n,$

$$f_{X_{(n)}} = n(F_X(x))^{n-1} f_X(x)$$

Minimum: $F_{X_{(1)}}(x) = 1 - (1 - F_X(x))^n,$

$$f_{X_{(1)}}(x) = n(1 - F_X(x))^{n-1} f_X(x)$$

General:

$$f_{X_{(j)}} = \frac{n!}{(j-1)!(n-j)!} F_X(x)^{j-1} f_X(x) (1 - F_X(x))^{n-j}$$

4 Normal, Chi-Square Distributions

Mean: $\bar{X} \sim N(\mu, \frac{\sigma^2}{n}).$

Given $X \sim N(\mu, \sigma^2), Z_i = \frac{X_i - \mu}{\sigma}.$ Then:

$$\sum_{i=1}^n Z_i^2 \sim \chi_n^2$$

$$\chi_\nu^2 = \text{Gamma}(\frac{\nu}{2}, \beta = 2), \mathbb{E}[X] = \nu, \text{Var}(x) = 2\nu.$$

Theorem 7.3: \bar{x}, S^2 are independent, and:

$$\frac{(n-1)S^2}{\sigma^2} \sim \chi_{n-1}^2 \quad S^2 = \frac{1}{n-1} \sum_{i=1}^n (x_i - \bar{x})^2$$

Student T Distribution: if $Z \sim N(0, 1)$ and $W \sim \chi_\nu^2$, and Z, W independent. Then RV: $T = \frac{Z}{\sqrt{W/\nu}}$ follows the student T distribution. Where:

$$f_T(x) = \frac{\Gamma(\frac{\nu+1}{2})}{\Gamma(\frac{\nu}{2})\sqrt{\pi\nu}} (1 + \frac{t^2}{\nu})^{-(\nu+1)/2}$$

Snedecor's F Distribution: if $U \sim \chi_u^2$ and $V \sim \chi_v^2$ and U, V independent. Then $X = \frac{U/u}{V/v} \sim F_{u,v}.$ Where:

$$f_X(x; u, v) = \frac{\Gamma(\frac{u+v}{2})}{\Gamma(u/2)\Gamma(v/2)} \left(\frac{u}{v}\right)^{u/2} x^{u/2-1} (1 + \frac{u}{v}x)^{-(u+v)/2} \quad x > 0$$

5 Central Limit Theorem

Let X_1, \dots, X_n be iid RV with expected value μ and variance σ^2 and assume that mgf exists. The cdf of \bar{X} converges to a normal distribution as $n \rightarrow \infty$. $Z_n = (\bar{X} - \mu)/(\sigma/\sqrt{n})$, then $\lim_{n \rightarrow \infty} P(Z_n \leq z) = P(Z \leq z)$ where $Z \sim N(0, 1)$. I.e. the sampling distribution for the sample mean $\stackrel{a}{\sim} N(\mu, \sigma^2/n)$

6 Method of Moments

Goal is to match the pointwise moments to the distribution moments. Need one equation for each unknown. Set $\mathbb{E}[X] = \frac{1}{n} \sum x_i, \mathbb{E}[X^2] = \frac{1}{n} \sum x_i^2, \dots$ for however many equations needed.

7 Maximum Likelihood Estimators

Compute likelihood function $\mathcal{L}(\theta|x) = \text{joint distribution} = f(x|\theta)$. Find $\hat{\theta}_{MLE}$ that maximizes $\mathcal{L}(\theta|x)$. Solve by setting $\frac{\partial}{\partial \theta_i} \mathcal{L}(\theta|x) = 0$. Can also compute log-likelihood which is easier as $l(\theta|x) = \ln(\mathcal{L}(\theta|x))$. Don't forget! Verify that critical point is the maximum by verifying second derivative at critical point < 0 .

8 Mean Squared Error and Bias

$\text{Bias}_\theta(\hat{\theta}) = \mathbb{E}[\hat{\theta}] - \theta$. An estimator is said to be unbiased if $\mathbb{E}[\hat{\theta}] = \theta$. The mean squared error is: $MSE_\theta(\hat{\theta}) = \mathbb{E}_\theta[(\hat{\theta} - \theta)^2] = \text{Var}_\theta(\hat{\theta}) + \text{Bias}_\theta(\hat{\theta})^2$. MSU combines accuracy and precision into one measure, if MSE increases the estimator is 'less good'.

Best unbiased estimator - Uniform Minimum Variance
Unbiased Estimator (UMVUE) is $Bias_{\theta}(\hat{\theta}^*) = 0$ and
 $Var(\hat{\theta}^*) \leq Var(\hat{\theta}) \quad \hat{\theta} \in \{\hat{\theta} | Bias_{\theta}(\hat{\theta}) = 0\}$.