

TEST 1: REVIEW SHEET

Here is a list of important results and concepts that might be used in the exam.

1 Probability

1.1 Basics of probability

The following concepts are used in the study of statistical quantities. They are like your basic calculus rules and you can use them without justification.

- Formulas to compute expectation and variance from pdf/pmf
- Formulas to compute covariance
- Recognize commonly used distributions by their pdf so you don't have to recompute expectation and variance.
- Linearity of expectation
- Expectation of product of independent random variables
- Variance of average of independent random variables
- Compute Gaussian probabilities using a table (main trick: standardization)
- Descriptive statistics: definitions

1.2 Multivariate random variables

This part uses a bit of linear algebra.

- Covariance matrix: definitions
- Matrix-vector product, Euclidean inner product and norm
- $\mathbb{E}[A^\top X]$, $\mathbb{V}(A^\top X)$
- Multivariate Gaussian distribution properties

1.3 Convergence of random variables

These are often used in asymptotic statements about a statistical estimator (consistency, asymptotic normality)

- Convergence in probability vs. convergence in distribution
- Law of Large Numbers (LLN)
- (Univariate and multivariate) Central Limit Theorem (CLT)
- Delta method (univariate and multivariate)
- Continuous Mapping Theorem (CMT)
- Slutsky's theorem
- Operations on convergence results (addition, multiplication, division)

2 Statistical inference

In this section, we list the important concepts of statistical inference that you should know (definition and how to compute using above probability rules).

2.1 Statistical models

- Parametric vs. nonparametric

2.2 Point estimation

- Estimator
- Bias (+ unbiased, asymptotically unbiased)
- Standard error
- MSE
- Consistency
- Asymptotic normality, asymptotic variance
- Constructing confidence intervals via CLT

EXERCISE

Let X be a multivariate Gaussian random vector with unknown mean $\mu = (\mu_1, \mu_2) \in \mathbb{R}^2$ and covariance matrix

$$\Sigma = \begin{pmatrix} 4 & 0 \\ 0 & 5 \end{pmatrix}.$$

Define $Y = X^{(1)} + X^{(2)}$ and $Z = X^{(1)}X^{(2)}$, where $X = (X^{(1)}, X^{(2)})$. We would like to estimate the parameter $\theta = \|\mu\|^2$. To that end, we observe X_1, \dots, X_n which are i.i.d. with the same distribution as X and we propose the estimator

$$\hat{\theta} = \bar{Y}_n^2 - 2\bar{Z}_n,$$

where

$$\bar{Y}_n = \frac{1}{n} \sum_{i=1}^n (X_i^{(1)} + X_i^{(2)})$$

and

$$\bar{Z}_n = \frac{1}{n} \sum_{i=1}^n X_i^{(1)} X_i^{(2)}$$

1. Compute the mean and covariance matrix of (Y, Z) .
2. Is $\hat{\theta}$ consistent? Why or why not?
3. Compute the bias of $\hat{\theta}$. Is it biased, unbiased, or asymptotically unbiased?
4. Write a multivariate central limit theorem for (\bar{Y}_n, \bar{Z}_n) .
5. Show that $\hat{\theta}$ is asymptotically normal and compute its asymptotic variance σ^2 .
6. Propose a consistent estimator $\hat{\sigma}^2$ of σ^2 , and write a 90% confidence interval for θ that is symmetric about $\hat{\theta}$.

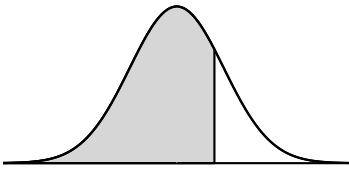


Table 1: The table lists $P(Z \leq z)$ where $Z \sim N(0, 1)$ for positive values of z .

Z	Second decimal place of Z									
	0.00	0.01	0.02	0.03	0.04	0.05	0.06	0.07	0.08	0.09
0.0	0.5000	0.5040	0.5080	0.5120	0.5160	0.5199	0.5239	0.5279	0.5319	0.5359
0.1	0.5398	0.5438	0.5478	0.5517	0.5557	0.5596	0.5636	0.5675	0.5714	0.5753
0.2	0.5793	0.5832	0.5871	0.5910	0.5948	0.5987	0.6026	0.6064	0.6103	0.6141
0.3	0.6179	0.6217	0.6255	0.6293	0.6331	0.6368	0.6406	0.6443	0.6480	0.6517
0.4	0.6554	0.6591	0.6628	0.6664	0.6700	0.6736	0.6772	0.6808	0.6844	0.6879
0.5	0.6915	0.6950	0.6985	0.7019	0.7054	0.7088	0.7123	0.7157	0.7190	0.7224
0.6	0.7257	0.7291	0.7324	0.7357	0.7389	0.7422	0.7454	0.7486	0.7517	0.7549
0.7	0.7580	0.7611	0.7642	0.7673	0.7704	0.7734	0.7764	0.7794	0.7823	0.7852
0.8	0.7881	0.7910	0.7939	0.7967	0.7995	0.8023	0.8051	0.8078	0.8106	0.8133
0.9	0.8159	0.8186	0.8212	0.8238	0.8264	0.8289	0.8315	0.8340	0.8365	0.8389
1.0	0.8413	0.8438	0.8461	0.8485	0.8508	0.8531	0.8554	0.8577	0.8599	0.8621
1.1	0.8643	0.8665	0.8686	0.8708	0.8729	0.8749	0.8770	0.8790	0.8810	0.8830
1.2	0.8849	0.8869	0.8888	0.8907	0.8925	0.8944	0.8962	0.8980	0.8997	0.9015
1.3	0.9032	0.9049	0.9066	0.9082	0.9099	0.9115	0.9131	0.9147	0.9162	0.9177
1.4	0.9192	0.9207	0.9222	0.9236	0.9251	0.9265	0.9279	0.9292	0.9306	0.9319
1.5	0.9332	0.9345	0.9357	0.9370	0.9382	0.9394	0.9406	0.9418	0.9429	0.9441
1.6	0.9452	0.9463	0.9474	0.9484	0.9495	0.9505	0.9515	0.9525	0.9535	0.9545
1.7	0.9554	0.9564	0.9573	0.9582	0.9591	0.9599	0.9608	0.9616	0.9625	0.9633
1.8	0.9641	0.9649	0.9656	0.9664	0.9671	0.9678	0.9686	0.9693	0.9699	0.9706
1.9	0.9713	0.9719	0.9726	0.9732	0.9738	0.9744	0.9750	0.9756	0.9761	0.9767
2.0	0.9772	0.9778	0.9783	0.9788	0.9793	0.9798	0.9803	0.9808	0.9812	0.9817
2.1	0.9821	0.9826	0.9830	0.9834	0.9838	0.9842	0.9846	0.9850	0.9854	0.9857
2.2	0.9861	0.9864	0.9868	0.9871	0.9875	0.9878	0.9881	0.9884	0.9887	0.9890
2.3	0.9893	0.9896	0.9898	0.9901	0.9904	0.9906	0.9909	0.9911	0.9913	0.9916
2.4	0.9918	0.9920	0.9922	0.9925	0.9927	0.9929	0.9931	0.9932	0.9934	0.9936
2.5	0.9938	0.9940	0.9941	0.9943	0.9945	0.9946	0.9948	0.9949	0.9951	0.9952
2.6	0.9953	0.9955	0.9956	0.9957	0.9959	0.9960	0.9961	0.9962	0.9963	0.9964
2.7	0.9965	0.9966	0.9967	0.9968	0.9969	0.9970	0.9971	0.9972	0.9973	0.9974
2.8	0.9974	0.9975	0.9976	0.9977	0.9977	0.9978	0.9979	0.9979	0.9980	0.9981
2.9	0.9981	0.9982	0.9982	0.9983	0.9984	0.9984	0.9985	0.9985	0.9986	0.9986
3.0	0.9987	0.9987	0.9987	0.9988	0.9988	0.9989	0.9989	0.9989	0.9990	0.9990
3.1	0.9990	0.9991	0.9991	0.9991	0.9992	0.9992	0.9992	0.9992	0.9993	0.9993
3.2	0.9993	0.9993	0.9994	0.9994	0.9994	0.9994	0.9994	0.9995	0.9995	0.9995
3.3	0.9995	0.9995	0.9995	0.9996	0.9996	0.9996	0.9996	0.9996	0.9996	0.9997
3.4	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9997	0.9998

*For $Z \geq 3.50$, the probability is greater than or equal to 0.9998.