

1.c. > Assuming the daily stats are poisson distributed with parameter λ .

$$f(X) = \frac{e^{-\lambda} \lambda^X}{X!}$$

An exponential prior is assumed on the parameter ~~prior~~ λ .

$$\beta (\text{mean of prior}) = \lambda_{\text{MME}} \quad - (1)$$

W.K.T, for exponential distribution, the mean is ~~given~~ as follows -

$$\beta = E[X] = \frac{1}{\lambda}$$

Given $\beta = \lambda_{\text{MME}}$ from (1).

$$\therefore \lambda_{\text{MME}} = \frac{1}{\lambda} \quad \text{or} \quad \lambda_{\text{prior}} = \frac{1}{\lambda_{\text{MME}}}$$

Applying Bayesian Inference -

Posterior \propto Likelihood \times Prior

$$= \prod_{i=1}^n \left(\frac{e^{-\lambda} \lambda^{X_i}}{X_i!} \right) \times \left(\frac{e^{-\lambda/\lambda_{\text{MME}}}}{\lambda_{\text{MME}}} \right)$$

$$\propto \frac{e^{-n\lambda} \lambda^{\sum x_i}}{n! \prod_{i=1}^n x_i!} \times \frac{e^{-\lambda/\lambda_{MME}}}{\lambda_{MME}}$$

$$= C \left(e^{-\lambda \left(n + \frac{1}{\lambda_{MME}} \right)} \cdot \lambda^{\sum x_i} \right)$$

$\left(\lambda_{MME}, \text{the first moment} - \right)$
 $E[X] = \bar{X} = \lambda_{MME}$

$$= C e^{-\lambda \left(n + \frac{1}{\bar{X}} \right)} \cdot \lambda^{\sum x_i}$$

This is a gamma distribution

$$\text{Gamma}(\alpha, \beta) = \frac{x^{\alpha-1} e^{-\beta x} \beta^\alpha}{\Gamma(\alpha)}$$

$$\alpha = \sum_{i=1}^n x_i + 1$$

$$\beta = n + \frac{1}{\bar{X}} = n + \frac{1}{\lambda_{MME}}$$

The above is for 1st week calculation.

For 2nd week calculation

$$\text{posterior} \propto \prod_{i=n+1}^{2n} \left(\frac{e^{-\lambda} \lambda^{X_i}}{X_i!} \right) \times e \left(e^{-\lambda \left(n + \frac{1}{\lambda_{MME}} \right)} \cdot \lambda^{\sum_{i=1}^n X_i} \right)$$

$$\propto \left(\frac{e^{-\lambda} \lambda^{\sum_{i=n+1}^{2n} X_i}}{\prod_{i=n+1}^{2n} X_i!} \right) \cdot e^{-\lambda \left(n + \frac{1}{\lambda_{MME}} \right)} \cdot \lambda^{\sum_{i=1}^n X_i}$$

$$\propto e^{-(2n\lambda + \frac{\lambda}{\lambda_{MME}})} \cdot \lambda^{\sum_{i=1}^{2n} X_i}$$

$$\propto e^{-\lambda \left(2n + \frac{1}{\lambda_{MME}} \right)} \cdot \lambda^{\sum_{i=1}^{2n} X_i}$$

This is gamma distribution with -

$$\alpha = \sum_{i=1}^{2n} X_i + 1, \quad \beta = 2n + \frac{1}{\lambda_{MME}}$$

Similarly for 3rd week -

$$\alpha = \sum_{i=1}^{3n} X_i + 1, \quad \beta = 3n + \frac{1}{\lambda_{MME}}$$

Similarly for 4th week -

$$\alpha = \sum_{i=1}^{4n} X_i + 1, \quad \beta = 4n + \frac{1}{\lambda_{MME}}$$