Topics Covered

I Random Variables

- $X_1, ..., X_n$ are independent if $P(X_1 \in A_1 \ldots X_n \in A_n) = \prod_{i=1}^{n} P(X_i \in A_i)$
- IID - independent identically distributed variables $X_1, ..., X_n$ IID $\rightarrow \langle X_1, ..., X_n \rangle$ is a *random sample of size n.*
- A function of an RV is also an RV.
- Sample mean $\bar{X} = \frac{X_1 + ... + X_n}{n}$

Assime $X_1, ..., X_n$ are IID, with

$$\begin{aligned} E(X_i) &= \mu \\ V(X_i) &= E(X - E(X))^2 = \sigma^2 \end{aligned}$$

Then:

$$\begin{aligned} E(\bar{X}) &= \mu \\ V(\bar{X}) &= \frac{\sigma}{n} \end{aligned}$$

Evaluating with the sample mean gives:

$$\begin{aligned} E(\bar{X}) &= \frac{nE(X_1)}{n} \\ &= E(X_1) \end{aligned}$$

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$$
\begin{aligned}
E(\bar{X}-\mu)^2 &= E(\frac{\sum_{i=1} n(X_i-\mu)}{n})^2 \\
&= \frac{1}{n^2}(\sum_{i=1} n(X_i-\mu)^2 + \sum_{i\neq j} n(X_i-\mu)(X_j-\mu)) \\
&= \frac{1}{n^2}\cdot n\sigma^2 \\
&= \frac{\sigma^2}{n}
\end{aligned}
$$

So $\bar{X}$ is an unbiased estimator of the true value (a.k.a. the population mean). What is an unbiased estimator of the variance $\sum_i (X_i-\bar{X})^2$?

$$
\begin{aligned}
E(\sum_i (X_i-\bar{X})^2) &= E(\sum_i (X_i^2 - 2X_i\bar{X} + \bar{X}^2)) \\
&= E(\sum_i X_i^2 - 2(\sum_i X_i)\bar{X} + n\bar{X}^2) \\
&= E(nX^2 - 2n\bar{X}^2 + n\bar{X}^2) \\
&= nE(nX^2) - nE(\bar{X}^2)
\end{aligned}
$$

What is $E(X^2)$?

$$
\begin{aligned}
\sigma^2 &= E(X-\mu)^2 \\
&= E(X^2 - 2\mu X + \mu^2) \\
&= E(X^2) - 2\mu^2 + \mu^2) \\
&= E(X^2) - \mu^2)
\end{aligned}
$$

So

$$
E(X^2) = \sigma^2 + \mu^2 \tag{1}
$$

So we get

$$
\begin{aligned}
E(\sum_i (X_i-\bar{X})^2) &= n\cdot(\sigma^2+\mu^2) - n\cdot(\frac{\sigma^2}{n} - \mu^2) \\
&= n\sigma^2 + n\mu^2 - \sigma^2 - n\mu^2 \\
&= n\sigma^2 + \sigma^2 \\
&= (n-1)\sigma^2
\end{aligned}
$$

So an unbiased variance estimator is

$$\frac{1}{n-1}\sum_i (X_i - \bar{X})^2 \tag{2}$$

II Likelihood

Assume you have a coin with $P(H) = p$ which is unknown. You toss it 16 times and get

$$HHTHTHHHTTHHTHHT$$

For what value of p is such an outcome *most likely*? We have 10 heads so intuitively p should be $\frac{10}{16}$. To show this, start with

$$\begin{aligned}
P(p) &= p^{10}(1-p)^6 \\
\frac{\partial P}{\partial p} &= 10p^9(1-p)^6 + p^{10}\cdot 6(1-p)^5(-1) \\
&= p^9(1-p)^5(10(1-p) - 6p) \\
&= p^9(1-p)^5(10 - 10p - 6p)
\end{aligned}$$

So $P(p)$ has a maximum value

$$\begin{aligned}
16p &= 10 \\
p &= \frac{10}{16}
\end{aligned}$$

The likelihood function is **not** a probability function on the space of parameters. It is equal to:

1. In the discrete case: The probability to have such an outcome given the unknown parameters.
2. In the continuous case: The probability density function for such an outcome.

Example 1

Assume you have n**unbiased** sensors with an unknown but equal standard deviation. You have n readings $X_1, ..., X_n$ of the same quantity. How would you estimate the true value μ and σ?

$$\begin{aligned}
\ell_n(\mu,\sigma) &= \prod_{i=1} n \frac{1}{\sqrt{2\pi\sigma^2}} e^{-\frac{(X_i-\mu)^2}{2\sigma^2}} \\
\frac{\partial \ell_n}{\partial \mu} &= \frac{\partial}{\partial \mu}\left(\frac{1}{(2\pi\sigma^2)^{\frac{n}{2}}} e^{-\frac{\sum_i (X_i-\mu)^2}{2\sigma^2}}\right) \\
&= \frac{1}{(2\pi\sigma^2)^{\frac{n}{2}}} e^{-\frac{\sum_i (X_i-\mu)^2}{2\sigma^2}} \cdot \frac{-2}{2\sigma^2} \sum_i (X_i-\mu) && \text{because } \mu = \frac{\sum_i X_i}{n} \\
&= -n(2\pi)^{\frac{-n}{2}} \sigma^{-n-1} e^{-\frac{\sum_i (X_i-\mu)^2}{2\sigma^2}} + (2\pi)^{\frac{-n}{2}} \sigma^{-n} e^{-\frac{\sum_i (X_i-\mu)^2}{2\sigma^2}} (-2) \frac{-\sum_i (X_i-\mu)^2}{2\sigma^3}
\end{aligned}$$

$$\begin{aligned}
\frac{\partial \ell_n}{\partial \mu} = 0 \qquad && \leftrightarrow -n + (\sigma^{-1})^2 && = 0 \\
&& \leftrightarrow \sum_i (X_i -)^2 && = 0
\end{aligned}$$

$$\sigma^2 = \frac{\sum_i (X_i -)^2}{n}$$

We found that $\mu = \bar{X}$, so

$$\sigma^2 = \frac{\sum_i (X_i -)^2}{n}$$

is a biased estimator.

Example 2

Given n sensors with known variances $\sigma_1^2, ..., \sigma_n^2$ and n readings $X_1, ..., X_n$. What is the maximum likelihood estimation of μ?

$$\partial \ell_n \frac{}{\partial \mu = (2\pi)^{-\frac{n}{2}} \prod_{i=1} n \sigma_i^{-1} \cdot e^{-\sum_i \frac{(X_i-\mu)^2}{2\sigma^2}} - 2 \sum_i \frac{X_i - \mu}{2\sigma_i}}$$

So

$$
\begin{aligned}
\frac{\partial \ell_n}{\partial \mu} = 0 \qquad & \leftrightarrow \sum_i \frac{X_i}{\sigma_i} && = \sum_i \frac{1}{\sigma_i}\mu \\
& \leftrightarrow \mu && = \frac{\sum_i \frac{1}{\sigma_i} X_i}{\sum_k \frac{1}{\sigma_k}}
\end{aligned}
$$