**Exercise 1.** ($\star\star$)Let $x = (x_1, ..., x_n)$ be observables. Consider a Bayesian model such as

$$\begin{cases} x_i|\lambda & \overset{\text{iid}}{\sim} \text{Pn}(\lambda), \ \forall i = 1, ..., n \\ \lambda & \sim \text{d}\Pi(\lambda) \end{cases}$$

**Hint-1** Poisson distribution $x \sim \text{Pn}(\lambda)$ has PMF: $\text{Pn}(x|\lambda) = \frac{1}{x!}\lambda^x \exp(-\lambda)1_{\mathbb{N}}(x)$, where $\mathbb{N} = \{0, 1, 2, ...\}$ and $\lambda > 0$.

**Hint-2** Gamma distribution $x \sim \text{Ga}(a, b)$ has PDF: $\text{Ga}(x|a, b) = \frac{b^a}{\Gamma(a)}x^{a-1}\exp(-bx)1_{(0,\infty)}(x)$, with $a > 0$ and $b > 0$.

**Hint-2** Negative Binomial distribution $x \sim \text{Nb}(r, \theta)$ has PMF: $\text{Nb}(x|r, \theta) = \binom{r+x-1}{r-1}\theta^r(1-\theta)^x 1_{\mathbb{N}}(x)$ with $\theta \in (0, 1)$, $r \in \mathbb{N} - \{0\}$, and $\mathbb{N} = \{0, 1, 2, ...\}$.

1. Compute the likelihood in the aforesaid Bayesian model.

2. Show that the sampling distribution is a member of the exponential family.

3. Specify the PDF of the conjugate prior distribution $\text{d}\Pi(\lambda)$ of $\lambda$, and identify the parametric family of distributions as $\lambda \sim \text{Ga}(a, b)$, with $a > 0$, and $b > 0$. While you are deriving the conjugate prior distribution of $\lambda$, discuss which of the prior hyper-parameters can be considered as the 'strength of the prior information and which can be considered as summarizing the prior information.

4. Compute the PDF of the posterior distribution of $\lambda$, identify the posterior distribution as a Gamma distribution $\text{Ga}(\tilde{a}, \tilde{b})$, and compute the posterior hyper-parameters $\tilde{a}$, and $\tilde{b}$.

5. Compute the PMF of the predictive distribution of a future outcome $y = x_{n+1}$, identify the name of the resulting predictive distribution, and compute its parameters.