Quiz

Please find maximum likelihood estimation of θ using sample $X_1, \dots, X_n$, generated from a normal distribution with parameters:

(a) $\mu = 0$, $\sigma^2 = \theta^2$,

(b) $\mu = \theta$, $\sigma^2 = 2\theta$.

Solution:

P.d.f. of a normal distribution with mean μ and variance σ^2 is:

$$f(x) = \frac{1}{\sqrt{2\pi}\sigma} e^{-\frac{(x-\mu)^2}{2\sigma^2}}.$$

(a) For $\mu = 0$ and $\sigma^2 = \theta^2$ p.d.f. would be

$$f(x) = \frac{1}{\sqrt{2\pi}\theta} e^{-\frac{x^2}{2\theta^2}}.$$

Likelihood function:

$$\mathcal{L}(\theta) = \prod_{i=1}^{n} f(X_i; \theta) = \frac{1}{(2\pi)^{n/2} \cdot \theta^n} e^{-\frac{1}{2\theta^2} \sum\limits_{i=1}^{n} X_i^2}.$$

Log-likelihood function:

$$l(\theta) = \log \mathcal{L}(\theta) = -\frac{n}{2} \log(2\pi) - n \log \theta - \frac{1}{2\theta^2} \sum_{i=1}^{n} X_i^2.$$

By necessary condition of extremum (in case of MLE – maximum):

$$\left.\frac{\partial l}{\partial \theta}\right|_{\theta=\widehat{\theta}} = -\frac{n}{\widehat{\theta}} + \frac{\sum\limits_{i=1}^{n} X_i^2}{\widehat{\theta}^3} = 0, \qquad \Longrightarrow \qquad \boxed{\widehat{\theta} = \sqrt{\overline{X^2}}}.$$

(b) For $\mu = \theta$ and $\sigma^2 = 2\theta$ p.d.f. would be

$$f(x) = \frac{1}{2\sqrt{\pi\theta}} e^{-\frac{(x-\theta)^2}{4\theta}}.$$

Likelihood function:

$$\mathcal{L}(\theta) = \prod_{i=1}^{n} f(X_i; \theta) = \frac{1}{(2\sqrt{\pi})^n \cdot \theta^{n/2}} e^{-\frac{1}{4\theta} \sum\limits_{i=1}^{n} (X_i - \theta)^2}.$$

Log-likelihood function:

$$l(\theta) = \log \mathcal{L}(\theta) = -n\log(2\sqrt{\pi}) - \frac{n}{2}\log\theta - \frac{1}{4\theta}\sum_{i=1}^{n}(X_i - \theta)^2.$$

By necessary condition of extremum (in case of MLE – maximum):

$$\left.\frac{\partial l}{\partial \theta}\right|_{\theta=\widehat{\theta}} = -\frac{n}{2\widehat{\theta}} + \frac{\sum_{i=1}^{n}(X_i-\theta)^2}{4\widehat{\theta}^2} + \frac{\sum_{i=1}^{n}(X_i-\theta)}{2\widehat{\theta}} = 0,$$

$$\widehat{\theta}^2 + 2\widehat{\theta} - \overline{X^2} = 0,$$

$$\widehat{\theta} = -1 \pm \sqrt{1+\overline{X^2}}.$$

Since $\theta = \dfrac{\sigma^2}{2} \geq 0$:

$$\boxed{\widehat{\theta} = \sqrt{1+\overline{X^2}} - 1}.$$

Problem 1

Manager of a restaurant wants to estimate the mean amount μ that a visitor spends for a lunch. A sample contains 36 visitors. Sample mean is $\overline{x} = \$3.60$. Manager knows that the standard deviation for one visitor is \$0.72. Find the confidence level corresponding to the interval $(\$3.5; \$3.7)$.

Solution:

$(1-\alpha) \cdot 100\%$ confidence interval for μ, when σ^2 is known:

$$\mathrm{CI}_{1-\alpha}(\mu) = \overline{X} \pm z_{\alpha/2} \cdot \frac{\sigma}{\sqrt{n}}.$$

From problem statement:

$$3.6 \pm z_{\alpha/2} \cdot \frac{0.72}{\sqrt{36}} = (3.5; 3.7),$$

Let's choose one of the boundaries (does nor matter which one because of the symmetry around $\overline{x}$):

$$3.6 + z_{\alpha/2} \cdot \frac{0.72}{\sqrt{36}} = 3.7,$$

$$z_{\alpha/2} \approx 0.833.$$

$z_{\alpha/2}$ is a critical value of $\frac{\alpha}{2}$ in standard normal distribution:

$$\mathsf{P}(Z > z_{\alpha/2}) = 1 - \Phi(z_{\alpha/2}) = \frac{\alpha}{2},$$

$$\frac{\alpha}{2} = 1 - \Phi(0.833) \approx 1 - 0.797 = 0.203,$$

$$\alpha = 2 \cdot 0.203 = 0.406.$$

Confidence level:

$$1 - \alpha = \boxed{0.594}.$$

Problem 2

A college admission officer for an *MBA* program has determined that historically candidates have undergraduate grade point averages that are normally distributed with standard deviation 0.45. A random sample of twenty-five applications from the current year is taken, yielding a sample mean grade average of 2.90.

(a) Find a 95% confidence interval for the population mean.

(b) Based on these sample results, a statistician computes for the population mean a confidence interval running from 2.81 to 2.99. Find the probability content associated with this interval.

Solution:

(a) $(1-\alpha)\cdot 100\%$ confidence interval for μ, when σ^2 is known:

$$\mathrm{CI}_{1-\alpha}(\mu) = \overline{X} \pm z_{\alpha/2} \cdot \frac{\sigma}{\sqrt{n}}.$$

From problem statement:

$$\begin{aligned}\mathrm{CI}_{95\%}(\mu) &= 2.9 \pm z_{0.025} \cdot \frac{0.45}{\sqrt{25}} = \\ &= 2.9 \pm 1.96 \cdot \frac{0.45}{\sqrt{25}} = \\ &= 2.9 \pm 0.18 = \boxed{(2.72; 3.08)}.\end{aligned}$$

(b) From problem statement:

$$2.9 \pm z_{\alpha/2} \cdot \frac{0.45}{\sqrt{25}} = (2.81; 2.99),$$

$$z_{\alpha/2} = 1,$$

$$\frac{\alpha}{2} = 1 - \Phi(z_{\alpha/2}) = 1 - \Phi(1) \approx 1 - 0.843 = 0.157,$$

$$\alpha = 2 \cdot 0.157 = 0.314.$$

Confidence level:

$$1 - \alpha = \boxed{0.686}.$$

Problem 3

A random sample of 5 observations from a normal distribution with mean μ and variance σ^2 gives a sample mean 100. An independent random sample of size 10 from the same population has sample variance 9. Find a 90% confidence interval for the population mean.

Solution:

$(1-\alpha)\cdot 100\%$ confidence interval for μ, when σ^2 is unknown:

$$\mathrm{CI}_{1-\alpha}(\mu) = \overline{X} \pm t_{n-1;\, \alpha/2} \cdot \frac{S}{\sqrt{n}}.$$

But the problem has two independent samples with different sizes: $n_1 = 5$, $n_2 = 10$. So we need to adjust the formula above with specific sizes.

Original pivot function for the problem statement is:

$$\frac{\overline{X} - \mu}{S/\sqrt{n}} \sim t_{n-1},$$

where the number of degrees of freedom in t_{n-1} is derived from Fisher's lemma:

$$\frac{(n-1)S^2}{\sigma^2} \sim \chi^2_{n-1},$$

so the n for degrees of freedom should taken from the sample, which is used to calculate S^2 – in our case it's n_2.

n in a square root from denominator is a part of E.S.E. $\left(\overline{X}\right) = \dfrac{S}{\sqrt{n}}$, so it should be taken from the sample, which is used to calculate $\overline{X}$ – in our case it's n_1.

$(1-\alpha)\cdot 100\%$ confidence interval is then:

$$\mathrm{CI}_{1-\alpha}(\mu) = \overline{X} \pm t_{n_2-1;\, \alpha/2} \cdot \frac{S}{\sqrt{n_1}}.$$

From problem statement:

$$\begin{aligned} \mathrm{CI}_{90\%}(\mu) &= 100 \pm t_{9;\, 0.05} \cdot \frac{3}{\sqrt{5}} = \\ &= 100 \pm 1.83 \cdot \frac{3}{\sqrt{5}} = \\ &= 100 \pm 2.46 = \boxed{(97.54; 102.46)}. \end{aligned}$$

Problem 4

The reaction time of a patient to a certain stimulus is known to have a standard deviation of 0.05 seconds. How large a sample of measurements must a psychologist take in order to be 95% confident and 99% confident, respectively, that the error in the estimate of the mean reaction time will not exceed 0.01 seconds?

Solution:

In a $(1-\alpha)\cdot 100\%$ confidence interval for μ, when σ^2 is known:

$$\mathrm{CI}_{1-\alpha}(\mu) = \overline{X} \pm z_{\alpha/2} \cdot \frac{\sigma}{\sqrt{n}},$$

accuracy of estimation e is its half-width:

$$e = z_{\alpha/2} \cdot \frac{\sigma}{\sqrt{n}}.$$

A number observations required to get the accuracy e:

$$n \geq \frac{z_{\alpha/2}^2 \cdot \sigma^2}{e^2}.$$

From problem statement:

(a) $1-\alpha = 0.95$:

$$n_{95\%} \geq \frac{z_{0.025}^2 \cdot 0.05^2}{0.01^2} = \frac{1.96^2 \cdot 0.05^2}{0.01^2} = 96.04,$$

$$n_{95\%} = \boxed{97}.$$

(b) $1-\alpha = 0.99$:

$$n_{99\%} \geq \frac{z_{0.005}^2 \cdot 0.05^2}{0.01^2} = \frac{2.58^2 \cdot 0.05^2}{0.01^2} = 165.87,$$

$$n_{99\%} = \boxed{166}.$$

Problem 5

During the Friday night shift, $n = 28$ mints were selected at random from a production line and weighted. They had average weight of $\overline{x} = 21.45$ grams and $s = 0.31$ gram. Give the lower endpoint of a 90% one-sided confidence interval for μ, the mean weight of all mints.

Solution:

$(1-\alpha)\cdot 100\%$ lower bound confidence interval for μ, when σ^2 is unknown:

$$\text{CI}_{1-\alpha}(\mu) = \left(\overline{X} - t_{n-1;\,\alpha}\cdot\frac{S}{\sqrt{n}};\ +\infty\right).$$

From problem statement:

$$\begin{aligned}\text{CI}_{90\%}(\mu) &= \left(21.45 - t_{27;\,0.1}\cdot\frac{0.31}{\sqrt{28}};\ +\infty\right) = \\ &= \left(21.45 - 1.314\cdot\frac{0.31}{\sqrt{28}};\ +\infty\right) = \\ &= (21.37;\ +\infty)\,.\end{aligned}$$

So the lower endpoint is $\boxed{21.37}$.

Problem 6

(a) A student constructed two 95% confidence intervals for unknown parameter $\theta : (-\infty; 4.2)$ and $(0.5; \infty)$. What could be the confidence of the interval $(0.5; 4.2)$?

(b) A student constructed two 95% confidence intervals for unknown parameter $\theta : (-5; 4.2)$ and $(0.5; 7)$. What could be the confidence of the interval $(0.5; 4.2)$?

Solution:

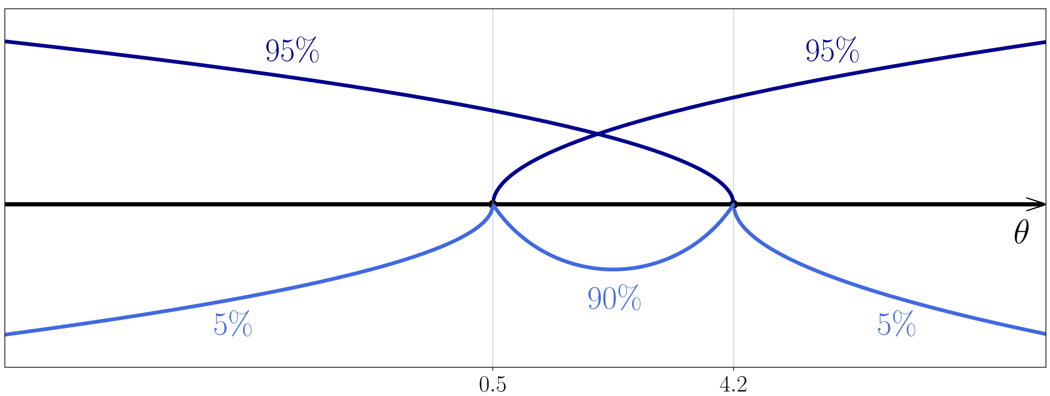

Figure 1: Intersection of infinite confidence intervals.

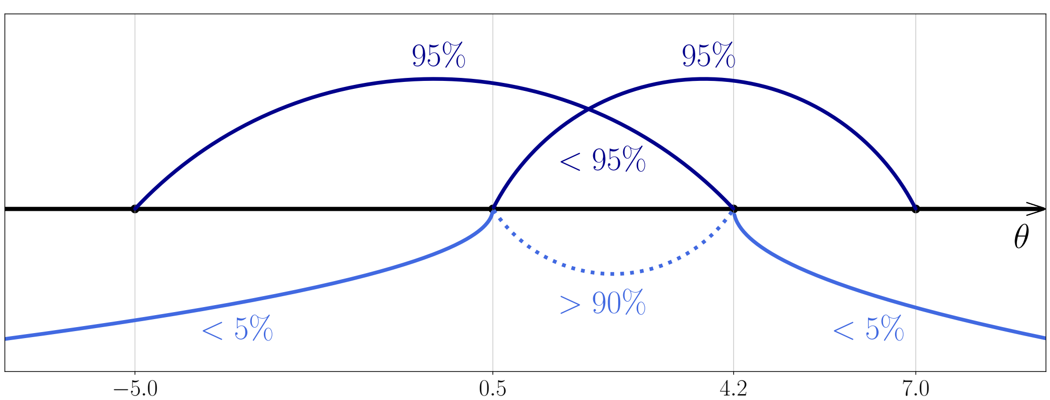

Figure 2: Intersection of finite confidence intervals.

(a) Let's define A as an event of confidence interval $(-\infty; 4.2)$ containing parameter θ, and B as an event of confidence interval $(0.5; \infty)$ containing parameter θ.

It's required to find $\mathsf{P}(A \cap B)$.

We know that $\mathsf{P}(A) = \mathsf{P}(B) = 0.95$, and since intervals are exhaustive $\mathsf{P}(A \cup B) = 1$.

Then

$$\mathsf{P}(A \cap B) = \mathsf{P}(A) + \mathsf{P}(B) - \mathsf{P}(A \cup B) = 0.95 + 0.95 - 1 = \boxed{0.9}.$$

The illustration is in the fig. 1.

(b) Let's define A as an event of confidence interval $(-5; 4.2)$ containing parameter θ, and B as an event of confidence interval $(0.5; 7)$ containing parameter θ.

It's required to find $\mathsf{P}(A \cap B)$.

$\mathsf{P}(A) = \mathsf{P}(B) = 0.95$, but intervals are not exhaustive, so $0.95 < \mathsf{P}(A \cup B) < 1$.

Then

$$\mathsf{P}(A \cap B) = \mathsf{P}(A) + \mathsf{P}(B) - \mathsf{P}(A \cup B) = 0.95 + 0.95 - (0.95; 1) = (0.9; 0.95),$$

$$\boxed{0.9 < \mathsf{P}(A \cap B) < 0.95}.$$

The illustration is in the fig. 2.

Problem 7

A manufacturer bonds a plastic coating to a metal surface. A random sample of nine observations on the thickness of this coating is taken from a week's output. The sample thickness (in millimeters) were as follows:

19.8 21.2 18.6 20.4 21.6 19.8 19.9 20.3 20.8

Assuming that the population distribution is normal, find a 90% confidence interval for the population variance.

Solution:

$(1-\alpha)\cdot 100\%$ confidence interval for σ^2, when μ is unknown:

$$\mathrm{CI}_{1-\alpha}\left(\sigma^2\right) = \left(\frac{(n-1)S^2}{\chi^2_{n-1;\,\alpha/2}}; \frac{(n-1)S^2}{\chi^2_{n-1;\,1-\alpha/2}}\right).$$

A sample variance s^2:

$$s^2 = \frac{1}{8}\sum_{i=1}^{9}\left(x_i - \overline{x}\right)^2.$$

A sample mean $\overline{x}$ required:

$$\overline{x} = \frac{1}{9}\sum_{i=1}^{9} x_i = 20.27,$$

so s^2 is

$$s^2 = \frac{1}{8}\sum_{i=1}^{9}\left(x_i - 20.27\right)^2 \approx 0.79.$$

From problem statement:

$$\mathrm{CI}_{90\%}\left(\sigma^2\right) = \left(\frac{8\cdot 0.79}{\chi^2_{8;\,0.05}}; \frac{8\cdot 0.79}{\chi^2_{8;\,0.95}}\right) = $$

$$= \left(\frac{6.3}{15.51}; \frac{6.3}{2.73}\right) = \boxed{(0.41; 2.31)}.$$

Problem 8

Let 10.1, 9.7 be a sample from the normal population $X \sim \mathcal{N}(10, \sigma^2)$. Let 20.1, 19.5, 20.4 be a sample from the normal population $Y \sim \mathcal{N}(20, \sigma^2)$. Find a two-sided 90% confidence interval for the population standard deviation σ.

Solution:

We could use either variable X or Y individually in order to find an estimate for σ, but that would not be an optimal result, since we would not have used all given degrees of freedom.

Let's construct a random variable Q as follows:

$$Q = \sum_{i=1}^{2} \left(\frac{X_i - 10}{\sigma} \right)^2 + \sum_{j=1}^{3} \left(\frac{Y_j - 20}{\sigma} \right)^2 .$$

Both terms are squares of standardized normal variables. Moreover, they are independent of each other. Thus, Q has a known χ^2-distribution as a sum of independent χ^2-distributions:

$$Q = \sum_{i=1}^{2} Z_i^2 + \sum_{j=1}^{3} Z_j^2 = \sum_{k=1}^{5} Z_k^2 \sim \chi^2_5,$$

so Q may be a pivot function.

A 90% confidence interval with Q:

$$\mathsf{P}\left(\chi^2_{5;\,0.95} \le Q \le \chi^2_{5;\,0.05}\right) = 0.9.$$

From problem statement a value of Q:

$$q = \sum_{i=1}^{2} \left(\frac{x_i - 10}{\sigma} \right)^2 + \sum_{j=1}^{3} \left(\frac{y_j - 20}{\sigma} \right)^2 = \frac{0.52}{\sigma^2}.$$

Substituting into confidence interval:

$$\mathsf{P}\left(\chi^2_{5;\,0.95} \le \frac{0.52}{\sigma^2} \le \chi^2_{5;\,0.05}\right) = 0.9,$$

$$\mathsf{P}\left(\frac{0.52}{\chi^2_{5;\,0.05}} \le \sigma^2 \le \frac{0.52}{\chi^2_{5;\,0.95}}\right) = 0.9,$$

Getting values from χ^2-distribution table:

$$\mathrm{CI}_{90\%}\left(\sigma^2\right) = \left(\frac{0.52}{11.07};\ \frac{0.52}{1.145}\right) = (0.047;\ 0.454)\,.$$

Confidence interval for standard deviation σ then:

$$\mathrm{CI}_{90\%}\left(\sigma\right) = \left(\sqrt{0.047};\ \sqrt{0.454}\right) = \boxed{(0.217;\ 0.674)}.$$