Statistical inference - Tutorial 3

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1 Exercise 1

1) We know that $\{X_i\}_{i=1}^n \sim$ Negative Binomial(r, p), where r is known. We have that

$$f(x; r, p) = \binom{x-1}{r-1} p^r (1-p)^{x-r}. \tag{1}$$

1.1 Part a

To solve this exercise, we'll use the definition of Exponential family distributions that's given in section 4.3 of **Sufficiency and the Rao-Blackwell Theorem** (weeks 6 and 7).

> **Definition.** A k-parameter member of the exponential family has a density or frequency function of the form
>
> $$f(\underline{x}; \theta) = \exp\left[\sum_1^k c_i(\theta) T_i(\underline{x}) + d(\theta) + S(\underline{x})\right]$$
>
> for $\underline{x} \in A$ where the set A does not depend on θ.

That is, we need to show that $f(x; r, p)$ has the same form of $f(x; \theta)$. For instance, we can

rewrite $f(.)$ as follows.

$$f(x; r, p) = \binom{x-1}{r-1} p^r (1-p)^{x-r}, \tag{2}$$

$$= \exp\left[\log\left[\binom{x-1}{r-1} p^r (1-p)^{x-r}\right]\right], \tag{3}$$

$$= \exp\left[\log\binom{x-1}{r-1} + r\log(p) + (x-r)\log(1-p)\right], \text{ by rule of log}, \tag{4}$$

$$= \exp\left[S(x) + d(p) + c(p) \times T(x)\right], \tag{5}$$

where $S(x) = \log\binom{x-1}{r-1}$, $d(p) = r\log(p)$, $c(p) = log(1-p)$ and $T(x) = x - r$, where r is known.

1.2 Part b

We recall the Factorisation Theorem, which is introduced in section 4.1 (Sufficiency) on page 2.

> **Theorem.** A necessary and sufficient condition for $T(\underline{X})$ to be sufficient for θ is that the joint density (or probability mass function) factors in the form
>
> $$f(\underline{x}; \theta) = g(T(\underline{x}); \theta) h(\underline{x})$$
>
> i.e. f denends on θ through T only.

$$\prod_{i=1}^{n} f(x_i; r, p) = \prod_{i=1}^{n} \binom{x_i-1}{r-1} p^r (1-p)^{x_i-r}, \tag{6}$$

$$= \prod_{i=1}^{n} \left[\binom{x_i-1}{r-1}\right] p^{nr}(1-p)^{\sum_{i=1}^{n}(x_i-r)}, \tag{7}$$

$$= p^{nr}(1-p)^{\sum_{i=1}^{n}(x_i-r)} \prod_{i=1}^{n} \left[\binom{x_i-1}{r-1}\right], \tag{8}$$

$$= g(T(\mathbf{x}); p) h(\mathbf{x}), \tag{9}$$

where $T(\mathbf{x}) = \sum_{i=1}^{n}(x_i - r)$ is the sufficient statistics for p.

Exercise 3

We know that $\{X_i\}_{i=1}^n \sim \text{Binomial}(n, p)$, where r is known. We have that

$$f(x; n, p) = \binom{n}{x} p^x (1-p)^{n-x}. \tag{10}$$

Part a

It's possible to answer this using two approaches: Factorisation Theorem or via a corollary of the Factorisation theorem, which uses the MLE. First, we use the FT as follows.

> **Theorem.** A necessary and sufficient condition for $T(\underline{X})$ to be sufficient for θ is that the joint density (or probability mass function) factors in the form
> $$f(\underline{x}; \theta) = g(T(\underline{x}); \theta) h(\underline{x})$$
> i.e. f denends on θ through T only.

$$\prod_{i=1}^n f(x_i; k, p) = \prod_{i=1}^n \binom{k}{x_i} p^{x_i} (1-p)^{k-x_i}, \tag{11}$$

$$= \prod_{i=1}^n \left[\binom{k}{x_i} \right] p^{\sum_{i=1}^n x_i} (1-p)^{\sum_{i=1}^n (k-x_i)}, \tag{12}$$

$$= p^{\sum_{i=1}^n x_i} (1-p)^{nk - \sum_{i=1}^n x_i} \prod_{i=1}^n \left[\binom{k}{x_i} \right], \tag{13}$$

$$= g(T(\mathbf{x}); p) h(\mathbf{x}), \tag{14}$$

where $T(\mathbf{x}) = \sum_{i=1}^n x_i$ is the sufficient statistics for p.

Another possibility is to use a corollary of the Factorisation theorem. To use it, we first need to find the MLE of the parameter of interest (p).

Here, we know that the MLE is $\hat{p} = \sum_{i=1}^{n} x_i / nk$. Hence, as the sufficient statistics T is a function of $\hat{p}$, we conclude that $T = \sum_{i=1}^{n} x_i$, as n and k are known.

Part b

First, we know that $\mathbb{E}(X_i) = kp$ and $\mathbb{V}(X_i) = kp(1-p)$. Again, there are two ways to answer this. For instance, we could show that $\hat{p}$ is an unbiased estimator (i.e., $\mathbb{E}(\hat{p}) = p$) and that $\mathbb{V}(\hat{p})$ attains the Cramer-Rao Lower bound. I guess this is the easiest way to show what we need.

The second alternative is to use the Lehmann-Scheffe Theorem.

Theorem. (Lehmann–Scheffe) If T is a complete sufficient statistic and $\hat{\theta}$ is an unbiased estimator of θ, then $\hat{\theta}_1 = \mathrm{E}(\hat{\theta}|T)$ is the unique best unbiased estimator of θ.

Completeness is tricky to prove, but it holds for most distributions we consider (Binomial, Exponential, Normal....)

We know that $\hat{p} = \sum_{i=1}^{n} x_i / nk$ is unbiased because

$$\mathbb{E}(\hat{p}) = \mathbb{E}\left(\frac{\sum_{i=1}^{n} X_i}{nk}\right), \tag{15}$$

$$= \frac{\sum_{i=1}^{n} \mathbb{E}(X_i)}{nk}, (X_i's \text{ are i.i.d}) \tag{16}$$

$$= \frac{n\mathbb{E}(X_i)}{nk}, (X_i's \text{ are i.i.d}) \tag{17}$$

$$= \frac{\mathbb{E}(X_i)}{k}, \tag{18}$$

$$= \frac{kp}{k}, \tag{19}$$

$$= p. \tag{20}$$

In addition, recall that in a) we found that $T = \sum_{i=1}^{n} x_i$ is a sufficient statistics for p. However, by the Lehmann-Scheffe Theorem T is a **complete sufficient statistics** for p because the completeness of sufficient statistics holds for all distributions that belong to the exponential family (see section 4.3, page 6), which is the case of the Binomial distribution. Consequently, if $\mathbb{E}(\hat{p})$ is unbiased estimator and T is a **complete sufficient statistics**, then $\hat{p}$ is BUE.

Part c

To answer this, we need to get back all the way to weeks 2 and 3 (MLE, page 9) and refresh our memory about the Invariance property of the MLE.

Invariance property of the MLE

Definition. If $\hat{\theta}$ is the mle of a parameter θ then for any function g $g(\hat{\theta})$ is the mle of $g(\theta)$.

That is, the MLE for $g(p) = kp(1-p)^{k-1}$ is $g(\hat{p}) = k\hat{p}(1-\hat{p})^{k-1}$, where $\hat{p} = \sum_{i=1}^{n} x_i/nk$.

Part d

First, we'll take the hint and we'll consider an unbiased estimator of $g(p)$ in the form of

$$g\tilde{(}p) = \begin{cases} 1, \text{if } X_1 = 1 \\ 0, \text{otherwise}. \end{cases} \tag{21}$$

Hence, we can check that

$$\mathbb{E}(g\tilde{(}p)) = 1 \times p(X_1 = 1) + 0 \times p(X_1 \neq 1), \tag{22}$$
$$= p(X_1 = 1), \tag{23}$$
$$= g(p). \tag{24}$$

In addition, we know from a) that $T = \sum_{i=1}^{n} x_i$ and that consequently $T \sim \text{Binomial}(nk, p)$. Now, let's recall the Rao-Blackwell Theorem.

> **Theorem.** (Rao-Blackwell) Let $\hat{\theta}$ be an estimator for θ and let T be a sufficient statistic. Let $\hat{\theta}_1$ be another estimator for θ constructed as $\hat{\theta}_1 = \mathrm{E}(\hat{\theta}|T)$. Then $MSE(\hat{\theta}_1) \leq MSE(\hat{\theta})$. The inequality is strict unless $\hat{\theta}_1 = \hat{\theta}$.

Based on the theorem above, we have an estimator for $g(p)$, which $\widetilde{g(p)}$, and we have a sufficient statistics $T = \sum_{i=1}^{n} x_i$. Still according to the theorem, a natural estimator for $g(p)$ is given by $\mathbb{E}(\widetilde{g(p)}|T)$. We know that

$$\mathbb{E}(\widetilde{g(p)}|T) = p(X_1 = 1|T = t), \tag{25}$$

$$= \frac{p(T = t|X_1 = 1)p(X_1 = 1)}{P(T = t)}, \text{ due to Bayes' theorem} \tag{26}$$

$$= \frac{p(T = t - 1)p(X_1 = 1)}{P(T = t)}, \tag{27}$$

$$= \frac{\mathrm{Binomial}(t - 1; n - 1, p)kp(1 - p)^{k-1}}{\mathrm{Binomial}(t; n, p)} \tag{28}$$

$$= \frac{\binom{(n-1)k}{t-1}k}{\binom{nk}{t}}. \tag{29}$$

Along with the Lehmann-Scheffe Theorem, we have that $\mathbb{E}(\widetilde{g(p)}|T)$ is BUE for $g(p)$.