

STA 331 2.0 Stochastic Processes

6. Poisson process (cont.)

Dr Thiyanga S. Talagala

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Department of Statistics, University of Sri Jayewardenepura

Example

The number of customers arriving at a shopping centre can be modelled by a Poisson process with intensity $\lambda = 10$ customers per hour.

- i) Find the probability that there are 2 customers between 11:00 and 11:20.
- ii) Find the probability that there are 3 customers between 11:00 and 11:20 and 7 customers between 11:20 and 12.

Interarrival times

Inter-arrival Time Distribution for a Poisson Process

Consider a Poisson process with rate λ . Let,

T_1 be the time of the first arrival. Let T_2 be the time elapsed between the first and the second arrival. Further, for $n > 1$, let T_n denote the elapsed time between the $(n - 1)$ st and the n th event. The sequence $\{T_n, n = 1, 2, 3, \dots\}$ is called the **sequence of interarrival times**.

We shall now determine the distribution of the T_n .

Proposition

Let $N(t)$ be a Poisson process with rate λ , then then the interarrival times T_n , $n = 1, 2, \dots$, are independent identically distributed with $Exponential(\lambda)$ distribution.

Example

Let $N(t)$ be a Poisson process with parameter $\lambda = 2$, and let T_1, T_2, \dots , be the corresponding interarrival times.

- i) Find the probability that the first arrival occurs after $t = 0.5$.
- ii) Given that we have had no arrivals before $t = 1$, find $P(T_1 > 3)$.
- iii) Given that the third arrival occurred at time $t = 2$, find the probability that the fourth arrival occurs after $t = 4$.
- iv) Suppose that we start observing the process at time $t = 10$. Let T_1 be the time of the first arrival after we start observing the process. Find the mean and variance of the random variable T_1 .

Arrival times (Waiting time)

Waiting time distribution

Let $N(t)$ is a Poisson process with rate λ . We first generate i.i.d. random variables $T_n, n = 1, 2, \dots$, where $T_n \sim \text{Exponential}(\lambda)$.

Another quantity of interest is W_n , **the arrival time of the n th event**, also called **the waiting time until the n th event**. Then the arrival times are given by

$$W_1 = T_1$$

$$W_2 = T_1 + T_2$$

$$W_3 = T_1 + T_2 + T_3$$

...

Waiting time distribution (cont.)

Since T_n 's are independent and each T_n has an exponential distribution with mean $1/\lambda$, W_n has a **Gamma distribution** with shape parameter n and rate parameter λ . The mean waiting time is n/λ .

Example

Suppose that people arrive at a territory in accordance with a Poisson process of rate $\lambda = 10$ per day.

- i) What is the expected time until the 100th person arrives?
- ii) What is the probability that the elapsed time between the 100th and the 200th arrival exceeds 10 days?

Acknowledgement

The contents in the slides are mainly based on
Introduction to Probability Models by Sheldon M. Ross.
H. Pishro-Nik, “Introduction to probability, statistics, and
random processes”, Kappa Research LLC, 2014.