Appendix

Appendix

The following paragraphs contain additional information about the **simulation studies** that were covered in chapter **??**.

Section ??: Correlated Predictor Variables

The simulation design was chosen in the following way:

- The design matrix $\mathbf{X} = \begin{pmatrix}\mathbf{x}_1 & \mathbf{x}_2 & \mathbf{x}_3\end{pmatrix}$ is simulated from a three dimensional normal distribution $\mathcal{N}_3\left(\boldsymbol{\mu}, \boldsymbol{\Sigma}\right)$ with mean vector $\boldsymbol{\mu} = \begin{pmatrix}-5 & 2 & 0\end{pmatrix}^T$ and covariance matrix $\begin{pmatrix}1 & \rho & \rho \\ \rho & 3 & \rho \\ \rho & \rho & 5\end{pmatrix}$. Hence, the dependence among the regressors is fully determined by the parameter ρ.
- The design matrix $\mathbf{Z} = \begin{pmatrix}\mathbf{z}_1 & \mathbf{z}_2\end{pmatrix}$ consists of linear combinations of the regressors $\mathbf{x}_1$ up to $\mathbf{x}_3$, more specifically $\mathbf{z}_1 = 0.8 \cdot \mathbf{x}_1 + 0.2 \cdot \mathbf{x}_2$ and $\mathbf{z}_2 = \mathbf{x}_2 - 0.5 \cdot \mathbf{x}_3$.
- In both design matrices intercept columns are added for estimation purposes. Moreover, all columns in $\mathbf{X}$ and $\mathbf{Z}$ are standardized, i.e. mean-centered around 0 and scaled to unit variance. The true coefficient vectors are given by $\boldsymbol{\beta} = \begin{pmatrix}\beta_0 & \beta_1 & \beta_2 & \beta_3\end{pmatrix}^T = \begin{pmatrix}0 & 3 & -1 & 1\end{pmatrix}^T$ and $\boldsymbol{\gamma} = \begin{pmatrix}\gamma_0 & \gamma_1 & \gamma_2\end{pmatrix}^T = \begin{pmatrix}0 & 2 & 0\end{pmatrix}^T$.
- Three different values were chosen for $\rho \in \{0, -0.5, 0.9\}$ to compare the 'nice' case of uncorrelated predictors with the performance for negative and positive dependence. For each covariance structure the three models `mcmc_ridge()`, `mcmc()` and `lmls()` were fitted, where each Posterior Mean estimate from both of the Markov Chain Monte Carlo samplers is based on 10000 samples.

Section ??: Challenging the Model Assumptions

Section ??: Redundant Covariates

Section ??: Sample Size

Section ??: Hyperparameters