STAT575
Lrage Sample Theory

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January 16, 2024

Abstract

This is a graduate-level theoretical statistics course taught by Georgios Fellouris at University of Illinois Urbana-Champaign, aiming to provide an introduction to asymptotic analysis of various statistical methods, including weak convergence, Lindeberg-Feller CLT, asymptotic relative efficiency, etc.

We list some references of this course, although we will not follow any particular book page by page: *Asymnptotic Statistics* [Vaa98], *Asymptotic Theory of Statistics and Probability* [Das08], *A course in Large Sample Theory* [Fer17], *Approximation Theorems of Mathematical Statistics* [Ser09], and *Elements of Large-Sample Theory* [Leh04].

This course is taken in Spring 2024, and the date on the cover page is the last updated time.

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Chapter 1

Introduction

Lecture 1: Introduction to Large Sample Theory

Say we first collect n data points $x_1, \ldots, x_n \in \mathbb{R}^d$, large sample theory concerns with the limiting theory as $n \to \infty$. We may treat x_i as a realization of a random vector X_i on a probability space $(\Omega, \mathscr{F}, \mathbb{P})$. In this course, we will primarily consider the case that X_i's are i.i.d., i.e., independent and identically distributed from a distribution function, or the *cumulative density function* (CDF) F such that

$$X = (X^1, \ldots, X^d) \sim F(x_1, \ldots, x_d) \equiv \mathbb{P}(X^1 \leq x_1, \ldots, X^d \leq x_d)$$

for all $x_i \in \mathbb{R}$. If we have access to F, we can compute the corresponding *probability density function* (PDF) $\mathbb{P}$, and then have access to $\mathbb{P}(X \in A)$ for all (measurable) $A \subseteq \mathbb{R}^d$ of interest. If we know any of the above, we know every thing about the population. Hence, the goal is to compute this by collecting data x_i's, which is a statistical inference problem.

1.1 Parametrized Approach

There are various ways of doing this task, one way is the so-called parametrized approach. By postulating a family of CDFs $\{F_\theta, \theta \in \Theta\}$ where Θ is often a subset of $\mathbb{R}^m$ for some m (generally $\neq n$), the goal is to select a member of this family that is the "closet", or the "best fit" to the truth, i.e., F, based on the data. To emphasize that this depends on the data, we sometimes write the function we found as $\hat{\theta}_n(x_1, \ldots, x_n)$ so that $F_{\hat{\theta}_n(x_1, \ldots, x_n)}$ is our proxy for F.

Now, assume that the family is initially given, the problem is then how to select $\hat{\theta}_n$. Fisher suggested that we should look at the maximum likelihood estimator (MLE). The justification for MLE is not about finite n, but about its asymptotic behavior when $n \to \infty$. Specifically, we have the following theorem due to Fisher (informally stated).

> **Theorem 1.1.1** (Fisher). If $F \in \{F_\theta \colon \theta \in \Theta\}$, i.e., if $F = F_{\theta^*}$ for some $\theta^* \in \Theta$, then under certain conditions, $\hat{\theta}_n$ will be "close" to θ^* as $n \to \infty$. Under some other conditions, $\sqrt{n}(\hat{\theta}_n - \theta)$ is approximately Gaussian with variance being the "best possible" in some sense.

On the other hand, in the misspecified case, i.e., $F \notin \{F_\theta, \theta \in \Theta\}$, we can still compute the MLE, which leads to another justification for MLE since even in this case, $\hat{\theta}_n$ will still be "close" to θ^* such that F_{θ^*} is, in some sense, the "closest" to F among all possible F_θ (minimizing divergence, to be precise).

1.2 Hypothesis Testing

We will also develop theory for hypothesis testing for some hypothesis we're interested in, e.g., whether the data we collect is really i.i.d., or whether our proposed family is reasonable enough. Say now X_i's are scalar random variable with $\mathbb{E}[X] = \mu$, and we want to test the null hypothesis $H_0 \colon \mu = 0$.

Example. Consider a controlled group Z and a treatment group Y, and we observe $Z_1, \ldots, Z_n$, and $Y_1, \ldots, Y_n$, respectively, and compute $X_i = Z_i - Y_i$ for all i. Testing H_0 on the distribution of X will show the effect of the treatment.

To do this, a well-known method is the so-called t-test. Let s_n to be the sample standard derivation, then we can compute

$$T_n = \frac{\overline{X}_n}{s_n/\sqrt{n}} \sim t_{n-1}$$

as long as X is Gaussian, i.e., the t-statistics for H_0. What if X is not an Gaussian? We will show that even if X is not Gaussian, this result is "approximately valid" when n is "large enough" as long as $\mathrm{Var}\,[X] < \infty$.

Remark (Sample Size). When we say n is "large enough", what we mean really depends on how fast the underlying distribution will approach Gaussian as n grows. Hence, if we can say more about the underlying population, we can say more about when does n is "large enough"; otherwise such a limiting theory might be completely useless in practice.

What if now $\mathrm{Var}\,[X]$ doesn't exit? When the population has a heavy tail distribution, then second moment may not exit.

Example (Cauchy distribution). The Cauchy distribution doesn't have finite moment of order greater than 1.

In this case, some other test is needed. A simple test would be looking at the sign of X_i, i.e., the sign test.

Example (Sign test). We might reject H_0 if $\sum_{i=1}^n \mathbb{1}_{X_i>0}$ is large. Note that under H_0, $\sum_{i=1}^n \mathbb{1}_{X_i>0} \sim \mathrm{Bin}(n, 1/2)$, and this test is valid even if expectation doesn't exist.

We see that without saying anything about F, the sign test is valid even for $n = 3$ or 5 as the sum is exactly binomial distribution under H_0. Although simple and have good property, only looking at the sign of X_i might be too weak. A natural idea is to look at the absolute value of X_i.

Example (Wilcoxon's rank-sum test). Let $R_{i,n}$ to be the rank of $|X_i|$, then consider the so-called *Wilcoxon's rank-sum test*

$$\sum_{i=1}^n \mathbb{1}_{X_i>0} R_{i,n}.$$

As one can imagine, the closed form of the above sum will be complicated; however, asymptotically, the above statics will follow Gaussian again, such that the rate of convergence doesn't depend on the underlying population.

Finally, we also ask how can we compare these different tests? This will also be addressed in this course.

Appendix

Bibliography

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