

AdvStDaAn, Worksheet, Week 11

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Contents

Task 1	1
Task 2	3
Task 3	4
Question Task 1	5

Task 1

You can choose from two different types of light-emitting diodes.

You order 100 diodes of type 1 and 100 diodes of type 2. 8 diodes of type 1 and 12 diodes of type 2 were insufficient for your purposes. However diodes of type 2 are 10% cheaper.

Is it beneficial to buy diodes of type 2? Reject rates usually vary around $10\% \pm 5\%$. Propose an appropriate prior and perform a Bayesian analysis.

First one can calculate a and b for the beta prior.

$$\frac{a}{a+b} = 0.1 \quad b = 9a$$

$$\frac{ab}{(a+b+1)(a+b)^2} = 0.05^2$$

set b = 9a

$$\frac{a*9a}{(a+9a+1)(a+9a)^2} = 0.05^2$$

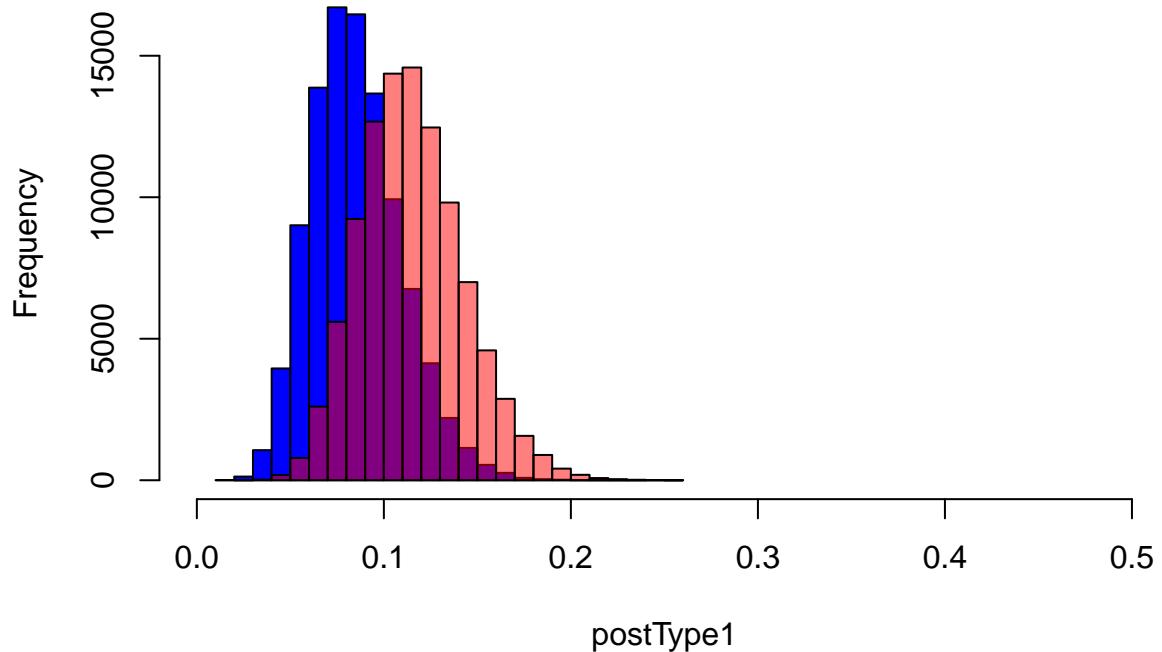
$$a = 3.5$$

$$b = 31.5$$

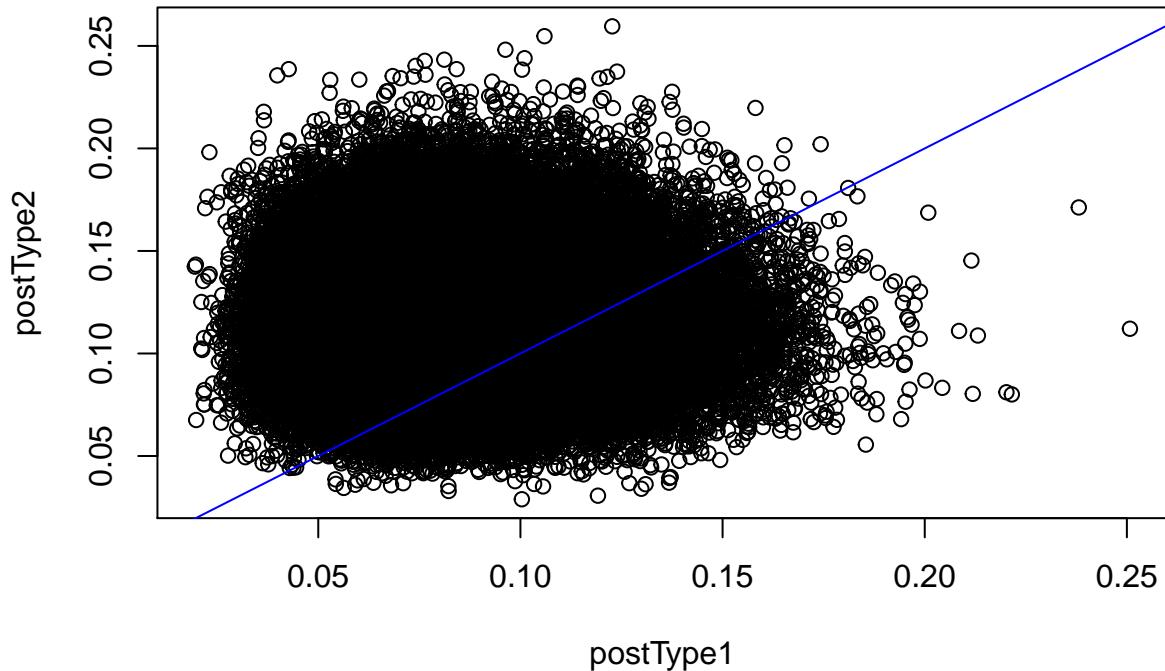
```
# Simulate reject rates for diodes of type 1 and type 2
nSamples = 100000
postType1 = rbeta(nSamples, 3.5 + 8, 31.5 + 92)
postType2 = rbeta(nSamples, 3.5 + 12, 31.5 + 88)

hist(postType1, xlim = c(0, .5), col = 'blue', main = 'Histogram overlay of both priors')
hist(postType2, xlim = c(0, .5), col = alpha('red', 0.5), add = TRUE)
```

Histogram overlay of both priors



```
plot(postType1, postType2)
abline(0,1,col="blue")
```



```

sum(postType1 < postType2)/nSamples

## [1] 0.79516

# Calculate expected reject rates
expType1 = (3.5 + 8)/(3.5 + 8 + 31.5 + 92) # -> E(X)
expType2 = (3.5 + 12)/(3.5 + 12 + 31.5 + 88) # -> E(X)

# To compare, include that diodes of type 2 are 10% cheaper
(1-expType1)

```

```
## [1] 0.9148148
```

```
(1-expType2)/.9
```

```
## [1] 0.9835391
```

=> Type 2 is better than Type 1.

Task 2

Given are 6 trials and their numbers of tries before a success occurs: 5, 8, 3, 9, 2 and 6.

- In what range is the rate of success θ ?
 - What's the probability, that the rate of success is bigger than 25%?
-

```

n <- 6
obs <- c(5, 8, 3, 9, 2, 6)
obs_sum <- sum(obs)
obs_sum

## [1] 33

# calculating the range of the rate of success
qbeta(c(0.05, 0.95), 1 + n, 1 + obs_sum)

## [1] 0.0851325 0.2747445

# calculating the probability that the rate of success is bigger than 25%
1 - pbeta(0.25, 1+n, 1+obs_sum)

## [1] 0.09622459

```

A flat prior seems not very plausible, as data indicates that the success rate should be small. Using a flat prior probably gives too much weight to high success rates and therefore overestimates the real success rate.

Task 3

You have two machines producing a good. Your quality control tracks the number of proper goods until the machine produces a poor good.

- The counts of machine 1 are: 10, 15, 18, 20, 5, 12 and 3.
- The counts of machine 2 are: 23, 16, 19, 28 and 37.

Assume a Beta(1, 20) prior on the failure rate and calculate an equal-tailed 95% credible interval for each machine. What's the expected failure rate for each machine? Calculate the maximum a posteriori probability (MAP) estimate for each failure rate.

```

# number of observations
nM1 <- 7
nM2 <- 5

# sum of failures
sumObsM1 <- sum(c(10, 15, 18, 20, 5, 12, 3))
sumObsM2 <- sum(c(23, 16, 19, 28, 37))

# equal-tailed 95% credible interval
qbeta(c(0.025, 0.975), 1+nM1, 20+sumObsM1)

## [1] 0.03192018 0.12672593

```

```

qbeta(c(0.025, 0.975), 1+nM2, 20+sumObsM2)

## [1] 0.01502071 0.07707699

# expected failure rate (E(X))
expFailM1 <- (1+nM1) / ((1+nM1) + 20+sumObsM1)
expFailM1

## [1] 0.07207207

expFailM2 <- (1+nM2) / ((1+nM2) + 20+sumObsM2)
expFailM2

## [1] 0.04026846

# maximum a posteriori probability (MAP) -> mode(X)
mapM1 <- ((1+nM1) - 1) / ((1+nM1) + (20+sumObsM1) - 2)
mapM1

## [1] 0.06422018

mapM2 <- ((1+nM2) - 1) / ((1+nM2) + (20+sumObsM2) - 2)
mapM2

## [1] 0.03401361

```

Question Task 1

|>Q:
