

Investigate
the
exponential
distribution
in R and
compare it
with the
Central

Limit Theorem

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Overview

The purpose of this data analysis is to investigate the exponential distribution and compare it to the Central Limit Theorem. For this analysis, the lambda will be set to 0.2 for all of the simulations. This investigation will compare the distribution of averages of 40 exponentials over 1000 simulations.

Simulations

Set the simulation variables lambda, exponentials, and seed.

```
```{r}
```

```
ECHO=TRUE
```

```
set.seed(1337)
```

```
lambda = 0.2
```

```
exponentials = 40
```

```
```
```

Run Simulations with variables

```
```{r}
```

```
simMeans = NULL
```

```
for (i in 1 : 1000) simMeans = c(simMeans, mean(rexp(exponentials, lambda)))
```

```
```
```

Sample Mean versus Theoretical Mean

Sample Mean

Calculating the mean from the simulations with give the sample mean.

```
```{r}
```

```
mean(simMeans)
```

```
```
```

Theoretical Mean

The theoretical mean of an exponential distribution is λ^{-1} .

```
```{r}
```

```
lambda^-1
```

```

...

Comparison
There is only a slight difference between the simulations sample mean and the
exponential distribution theoretical mean.
```{r}
abs(mean(simMeans)-lambda^-1)
...

## Sample Variance versus Theoretical Variance
#### Sample Variance
Calculating the variance from the simulation means with give the sample
variance.
```{r}
var(simMeans)
...

Theoretical Variance
The theoretical variance of an exponential distribution is
 $(\lambda * \sqrt{n})^2$.
```{r}
(lambda * sqrt(exponentials))^2
...

#### Comparison
There is only a slight difference between the simulations sample variance and
the exponential distribution theoretical variance.
```{r}
abs(var(simMeans)-(lambda * sqrt(exponentials))^2)
...

Distribution
This is a density histogram of the 1000 simulations. There is an overlay with a
normal distribution that has a mean of λ^{-1} and standard deviation of
 $(\lambda * \sqrt{n})^{-1}$, the theoretical normal distribution for the simulations.
```{r}
library(ggplot2)
ggplot(data.frame(y=simMeans), aes(x=y)) +
  geom_histogram(aes(y=..density..), binwidth=0.2, fill="#0072B2",
    color="black") +
  stat_function(fun=dnorm, arg=list(mean=lambda^-1,
    sd=(lambda*sqrt(exponentials))^-1),
    size=2) +
  labs(title="Plot of the Simulations", x="Simulation Mean")
...

```

Histogram for Averages of 40 Exponentials over 1000 Simulations

