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STAT 245
HOMEWORK 0

1. Moments of Poisson Distribution

Let X be a random variable with a Poisson distribution. Find $E(X^4)$.

One way to this using the formula

$$E(X^4) = \sum_k x^4 \Pr\{X = k\}.$$

Observe   Stirling numbers of the second kind

$$x^4 = x + 7x(x-1) + 6x(x-1)(x-2) + x(x-1)(x-2)(x-3).$$

We can derive each summation term individually.

$$
\begin{aligned}
E(X^4) &= \sum_x x^4 \Pr\{X = x\} \\
&= \sum_x x \Pr\{X = x\} + \sum_x 7x(x-1)\Pr\{X = x\} \\
&\quad + \sum_x 6x(x-1)(x-2)\Pr\{X = x\} \\
&\quad + \sum_x x(x-1)(x-2)(x-3)\Pr\{X = x\}.
\end{aligned}
$$

$$\sum_x x \Pr\{X = x\} = \lambda$$

$$
\begin{aligned}
\sum_x 7x(x-1)\Pr\{X = x\} &= \sum_x 7x(x-1)e^{-\lambda}\frac{\lambda^x}{x!} \\
&= 7e^{-\lambda}\sum_x x(x-1)\frac{\lambda^x}{x(x-1)(x-2)!} \\
&= 7e^{-\lambda}\lambda^2 \sum_x \frac{\lambda^{x-2}}{(x-2)!} \\
&= 7e^{-\lambda}\lambda^2 e^{\lambda} \\
&= 7\lambda^2
\end{aligned}
$$

Using a similiar method, find

$$\sum_x 6x(x-1)(x-2)\Pr\{X = x\} = 6\lambda^3$$

and

$$\sum_x x(x-1)(x-2)(x-3)\Pr\{X = x\} = \lambda^4.$$

Combining the results

$$E(X^4) = \lambda + 7\lambda^2 + 6\lambda^3 + \lambda^3.$$

2. *Poisson- and χ^2-tails*

For $\lambda > 0$, let X_λ be a discrete random variable with a Poisson distribution with expected value λ. For (integer) $d \in \mathbb{N}$, let Y_d by a continuous random variable with a χ^2-distribution with d degrees of freedom. In other words, the distribution of Y_d has the probability density function

$$f_{\chi_d^2}(y) = \frac{1}{2^{\frac{d}{2}}\Gamma(\frac{d}{2})} y^{\frac{d}{2}-1} e^{\frac{-y}{2}}, /y \geq 0$$

where $\Gamma(.)$ is the Gamma-function which satisfies $\Gamma(n) = (n-1)!$ for $n \in \mathbb{N}$. Show that for all $\lambda > 0$ and all (integer) $c \in \mathbb{N}$,

$$\Pr\{X_\lambda \geq c+1\} = \Pr\{0 \leq Y_{2(c+1)} \leq 2\lambda\} = \int_0^{2\lambda} f_{\chi_{2(c+1)}^2}(y)dy.$$

First observe

$$\Pr\{X_\lambda \geq c+1\} = 1 - \sum_{k=0}^{c} e^{-\lambda}\frac{\lambda^k}{k!}$$

whose derivative is just Poisson density

$$\frac{d}{d\lambda}\Pr\{X_\lambda \geq c+1\} = \Pr\{X=c\} = e^{-\lambda}\frac{\lambda^c}{c!}.$$

Next observe

$$\Pr\{0 \leq Y_{2(c+1)} \leq 2\lambda\} = \int_0^{2\lambda} \frac{1}{2^{c+1}c!} y^c e^{-\frac{y}{2}}$$

whose derivative is

$$\frac{\partial}{\partial\lambda}\Pr\{0 \leq Y_{2(c+1)} \leq 2\lambda\} = \frac{\partial}{\partial\lambda}\frac{\Gamma(c+1) - \Gamma(c+1,\lambda)}{c!}$$
$$= e^{-\lambda}\frac{\lambda^c}{c!}$$

Hence $\frac{\partial}{\partial\lambda}\Pr\{0 \leq Y_{2(c+1)} \leq 2\lambda\} = \frac{\partial}{\partial\lambda}\Pr\{X_\lambda \geq c+1\}$ which implies

$$\Pr\{X_\lambda \geq c+1\} = \Pr\{0 \leq Y_{2(c+1)} \leq 2\lambda\}.$$

3. *Approximation to Binomial probabilities*

Let X be distributed according to a Binomial(n, p) distribution. We are interested in the probability $\Pr(X = k)$ for

1. $n = 7$, $p = 0.3$, $k = 3$;

The binomial probability

$$\Pr\{X = 3\} = \binom{7}{3}.3^3(1 - .3)^4 = .2268.$$

The Normal Distribution approximation with $E(X) = np$ and $\mathrm{Var}(X) = np(1 - p)$.

$$\Pr\{X \geq 3\} = \Pr\{\frac{X - 2.1}{\sqrt{1.47}} \leq \frac{3 - 2.1}{\sqrt{1.47}}\}$$
$$\approx 1 - \Phi(0.742)$$
$$= .249$$

The Poisson approximation $\lambda = np$.

$$\Pr\{X = 3\} = e^{-2.1}\frac{2.1^3}{3!} = .189$$

2. $n = 40$, $p = 0.4$, $k = 11$;

Binomial $= .0357$, Normal approximation $= 0.035$, and Poisson $= 0.0495$.

3. $n = 400$, $p = .0025$, $k = 2$;

Binomial $= .18417$, Normal approximation $= .2419$, and Poisson $= .1839$.

The Poisson is a good approximation when p is small and n is large. The Normal is a good approximation when n is large and p is close to $\frac{1}{2}$, i.e. the binomial distribution is symmetric.

4. Conditional distributions in Poisson process

Let $(X_t)_{t \geq 0}$ be a Possion process, and let

$$T_1 = \min\{t > 0 : X_t \geq 1\}$$

be the time to the first event.

1. Find the conditional distibution of X_s given $X_t = n$ for fixed time points $t > s > 0$ and integer $n \in \mathbb{N}$.

   The coniditional distributio is given

   $$\Pr(X_s \mid X_t = n) = \frac{\Pr(X_s \cap X_t)}{\Pr(X_t = n)}.$$

   Note that

   $$\Pr(X_s \cap X_t) = \Pr(X_s = x \cap X_t - X_s = n - x)$$

where X_s and $X_t - X_s$ are independent of each other.

Then

$$
\begin{aligned}
\Pr(X_s \mid X_t = n) &= \frac{e^{-\lambda s}\frac{(\lambda s)^x}{x!} \cdot e^{-\lambda(t-s)}\frac{[\lambda(t-s)]^{n-x}}{(n-x)!}}{e^{-\lambda t}\frac{(\lambda t)^n}{n!}} \\
&= \frac{n!}{x!(n-x)!} \cdot \frac{e^{-\lambda s}e^{-\lambda(t-s)}(\lambda s)^x[(t-s)\lambda]^{n-x}}{e^{-\lambda t}(\lambda t)^n} \\
&= \binom{n}{x}\frac{s^x(t-s)^{n-x}}{t^x \cdot t^{n-x}} \\
&= \binom{n}{x}\left(\frac{s}{t}\right)^x\left(1-\frac{s}{t}\right)^{n-x}
\end{aligned}
$$

2. Show that the conditional distribution of T_1 given $X_t = 1$ is the uniform distribution on the interval $(0, t]$.

Consider $\Pr\{T_1 > s \mid X_t = 1\}$ for $0 < s < t$.

$$
\begin{aligned}
\Pr\{T_1 > s \mid X_t = 1\} &= \frac{\Pr\{0 \text{ events in } (0,s] \cap 1 \text{ event in } (s,t]\}}{\Pr\{X_t = 1\}} \\
&= \frac{e^{-\lambda s} \cdot e^{-\lambda(t-s)}\lambda(t-s)}{e^{-\lambda t}\lambda t} \\
&= \frac{t-s}{t}
\end{aligned}
$$

Then

$$
\Pr\{T_1 \le s \mid X_t = 1\} = 1 - \Pr\{T_1 > s \mid X_t = 1\} = \frac{s}{t}.
$$

Taking the deritive of the above equation results in

$$
\Pr\{T_1 = s \mid X_t = 1\} = \frac{1}{t}.
$$