

No: _____

Q4. (a) Let y_1, y_2, \dots, y_n be values of independent n draws.

$$P(Y_i = k) = \frac{1}{N}, \quad k = 1, 2, \dots, N.$$

$$\mu'_1 = E(y) = \sum_{k=1}^N k P(Y_i = k) = \sum_{k=1}^N k \cdot \frac{1}{N} = \frac{N}{2} [2(\frac{1}{N}) + (N-1)(\frac{1}{N})]$$
$$\bar{y} = \frac{1}{2} (2+N-1) = \frac{1}{2} (N+1)$$

∴ The estimator of N is

$$\hat{N}_1 = 2\bar{y} - 1$$

$$(b) E(\hat{N}_1) = E(2\bar{y} - 1)$$

$$\begin{aligned} &= 2E(\bar{y}) - 1 \\ &= 2[\frac{1}{2}(N+1)] - 1 \\ &= N \end{aligned}$$

$$\text{Var}(\hat{N}_1) = \text{Var}(2\bar{y})$$

$$\begin{aligned} &= 4\text{Var}(\bar{y}) \\ &= \frac{4}{n}\text{Var}(y) \\ &= \frac{4}{n}[E(y^2) - E(y)^2] \\ &= \frac{4}{n} \left[\sum_{i=1}^N \frac{i^2}{N} - \frac{(N+1)^2}{4} \right] \\ &= \frac{4}{n} \left[\frac{1}{6N} (N)(N+1)(2N+1) - \frac{(N+1)^2}{4} \right] \\ &= \frac{4}{n} \left[\frac{2(N+1)(2N+1) - 3(N+1)^2}{12} \right] \\ &= \frac{4}{n} \left(\frac{N+1}{12} \right) (4N+2-3N-3) \\ &= \frac{1}{3n} (N+1)(N-1) \\ &= \frac{1}{3n} (N^2-1) \end{aligned}$$

(c) Let $I(x) = 1 / 0$ depending on whether the condition x is true.

$$\begin{aligned} L(y_1, y_2, \dots, y_n | \theta) &= \prod_{i=1}^n \frac{1}{N} \cdot I(Y_i \leq N) \\ &= \frac{1}{N^n} \prod_{i=1}^n I(Y_i \leq N) \\ &= \frac{1}{N^n} \cdot I(Y_{(n)} \leq N) \end{aligned}$$

For maximum likelihood, we have to choose N such that N is greater than all $y_{(n)}$.

For L to be maximized, N should be chosen as small as possible subject to the constraint that $y_{(n)} \leq N$.

So, we must choose N as small such that $I(Y_{(n)} \leq N) = 1$.

This gives that $y_{(n)} = \hat{N}_2$.

∴ The maximum likelihood estimator of N is

$$\hat{N}_2 = Y_{(n)}$$