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After our digression on counting, we continue with more basic notions of Probability. An important concept is that of the

Random Variable: A random experiment \mathcal{E} has probability space (S, P) . A random variable X is a function from the sample space S to the reals. For example in the experiment of tossing a fair coin three times, let X be the profit if you receive a dollar for each Head and pay a dollar for each Tail.

$w \in S$	HHH	HHT	HTH	HTT	THH	THT	TTH	TTT
$X(w)$	3	1	1	-1	1	-1	-1	-3

The outcomes (symbols) are in the top row; the values of X (numbers) are in the bottom. Define

$$\text{Range}(X) = \{\text{all possible values of } X\} = \{\text{distinct } X(w) : w \in S\}$$

In the example, $\text{Range}(X) = \{3, 1, -1, -3\} = \{a_1, \dots, a_4\}$.

- **Fact 1:** $|\text{Range}(X)| \leq |S|$: the equality occurs only if X takes a distinct value for each $w \in S$; otherwise $X(w_1) = X(w_2)$ for outcomes $w_1 \neq w_2$ in S .
- **Fact 2:** Suppose $\text{Range}(X) = \{a_1, \dots, a_k\}$. The events $A_i = \{w \in S : X(w) = a_i\}$, $i = 1, \dots, k$, partition S . They form *the partition induced by X* , namely $\mathcal{A}_X = \{A_1, \dots, A_k\}$.

For each $a_i \in \text{Range}(X)$ set

$$f_X(a_i) = P(A_i) = P(X = a_i).$$

If $t \neq a_i$, we define $f_X(t) = 0$. f_X is called the frequency function of X .

- **Fact 3:** Because \mathcal{A}_X partitions S ,

$$\sum_{a_i \in \text{Range}(X)} f_X(a_i) = 1.$$

Therefore f_X is a probability measure on $\text{Range}(X)$. *The random variable X has mapped the original space (S, P) into a new one $(\text{Range}(X), f_X)$*

Independence: Random variables X and Z are independent iff their partitions \mathcal{A}_X and \mathcal{A}_Z are. For this we need $P(A \cap B) = P(A)P(B)$ for each $A \in \mathcal{A}_X$ and each $B \in \mathcal{A}_Z$ (so no hint about a value of X alters your probabilities of values of Z). Pairwise, k -wise, and mutual independence for a sequence X_1, \dots, X_n of random variables is defined via the partitions.

Independent Trials: We have an experiment \mathcal{E} with sample space $T = \{t_1, \dots, t_k\}$ and we use probability P on T . \mathcal{E} is repeated n times in succession, each under identical conditions. The sequence of repetitions is a composite experiment $\mathcal{E}^{(n)} = \mathcal{E}_1, \dots, \mathcal{E}_n$, where \mathcal{E}_i is the i^{th} repetition. The composite sample space is

$$S^{(n)} = \{\underline{w} = (w_1, \dots, w_n) | w_i \in T \text{ is the outcome of } \mathcal{E}_i\} = \underbrace{T \times \dots \times T}_{n \text{ times}}.$$

- Fact 1: $|S^{(n)}| = |T|^n = k^n$.

Product Probability: The points of $S^{(n)}$ can be assigned probabilities in infinitely many ways. We would like to do it in such a way that both

1. The original probability P is respected: For every trial \mathcal{E}_i and every $t_j \in T$, the probability that t_j occurs on the i^{th} repetition should be $P(t_j)$; in other words, we want

$$\text{Prob}\{\underline{w} = (w_1, \dots, w_n) \in S^{(n)} : w_i = t_j\} = P(t_j), \quad (1)$$

and

2. the repetitions are independent.

The product probability measure $P^{(n)}$ on $S^{(n)}$ is defined by

$$P^{(n)}(\underline{w}) = P(w_1)P(w_2) \dots P(w_n), \text{ for all } \underline{w} = (w_1, \dots, w_n) \in S^{(n)}. \quad (2)$$

It is not hard to show that

- Fact 2: $P^{(n)}$ really is a probability on $S^{(n)}$; i.e., $\sum P^{(n)}(\underline{w}) = 1$, the sum over all outcomes in $S^{(n)}$. Also
- Fact 3: Product probability respects P on T ; i.e., (1) holds for $\text{Prob} = P^{(n)}$. Finally,
- Fact 4: $P^{(n)}$ “captures” the independence of the trials in a very strong way. If A_1, \dots, A_n are events and A_i depends only on the outcome of the i^{th} repetition (i.e., $\underline{w} = (w_1, \dots, w_n) \in A_i$ depends on w_i and not the other coordinates), then the A_i are mutually independent. Also random variables X_1, \dots, X_n are mutually independent as long as the value of $X_i(\underline{w})$ depends only on the w_i . In fact it can be shown that
- Fact 5: if a probability on $S^{(n)}$ satisfies (1) and if events A_1, \dots, A_n are mutually independent as long as the occurrence of A_i depends only on the outcome of the i^{th} trial, then it is product probability $P^{(n)}$, defined in (2).

Bernoulli Trials: \mathcal{E} has two outcomes, success (s) and failure (f). $\mathcal{P} = P(s) = 1 - P(f)$. $\mathcal{E}^{(n)}$ - the repetition of \mathcal{E} n times - is called n Bernoulli trials with success probability \mathcal{P} . For each trial $i = 1, \dots, n$ define

$$X_i = \begin{cases} 1 & \text{if trial } i \text{ is success} \\ 0 & \text{if trial } i \text{ is failure} \end{cases}$$

the indicator (of success) for the i^{th} trial, and

$$S_n = X_1 + \dots + X_n$$

measures the number of successes that occur in the n trials.

- Fact 1: $\text{Range}(S_n) = \{0, 1, \dots, n\}$. The equation

$$f_{S_n}(k) = \text{Prob}(S_n = k) = \binom{n}{k} \mathcal{P}^k (1 - \mathcal{P})^{n-k} \quad (3)$$

defines the binomial frequency function, $k = 0, 1, \dots, n$. [The product probability of a *particular* sequence of n trials that results in k successes is $\mathcal{P}^k (1 - \mathcal{P})^{n-k}$. There are $\binom{n}{k}$ such sequences, one for each distinct way to choose which k trials result in success].

- Fact 2: It increases up to $n\mathcal{P}$ and decreases thereafter.

Infinite Sequences of Bernoulli Trials: Let \mathcal{E} be a Bernoulli trial experiment with success probability \mathcal{P} .

1. ($k = 1$) Let \mathcal{E}' be the experiment “repeat \mathcal{E} until a success occurs”. The composite sample space is $S' = \{s, fs, ffs, \dots\}$. $|S'| = \infty$. The interesting random variable is W_1 , the number of repetitions; i.e., *the waiting time for the first success*.

- Fact 1: $\text{Range}(W_1) = \{1, 2, \dots\}$. The equation

$$f_{W_1}(n) = \text{Prob}(W_1 = n) = (1 - \mathcal{P})^{n-1}\mathcal{P} \quad (4)$$

defines the geometric frequency function, $n = 1, 2, \dots$

2. (general case) Now let \mathcal{E}' be the experiment “repeat \mathcal{E} until the k^{th} success occurs”, $k \geq 1$. The composite sample space is $S' = \{\underbrace{s \cdots s}_k, \underbrace{fs \cdots s}_{k+1}, \underbrace{ffs \cdots s}_{k+1}, \dots, \underbrace{s \cdots s fs}_{k+1}, \dots\}$. $|S'| = \infty$.

The interesting random variable is W_k , the number of repetitions; i.e., *the waiting time for the k^{th} success*.

- Fact 2: $\text{Range}(W_k) = \{k, k + 1, \dots\}$. The equation

$$f_{W_k}(n) = \text{Prob}(W_k = n) = \binom{n-1}{k-1} (1 - \mathcal{P})^{n-k} \mathcal{P}^k \quad (5)$$

defines the negative binomial frequency function, $n = k, k + 1, \dots$

Expectation: The notion of random variable provides a basic and useful way to study aspects of a random experiment that are of particular interest. One of the most useful properties of a random variable is the *expectation*. Let X be a random variable defined on a probability space (S, P) . Its expectation (expected value, mean) is defined by

$$E(X) = \sum_{w \in S} X(w)P(w). \quad (6)$$

This is a probability-weighted-average of values of X . Suppose $\text{Range}(X) = \{a_1, \dots, a_k\}$, and that $\mathcal{A}_X = \{A_1, \dots, A_k\}$ is the partition induced by X . Breaking the sum in (6) into sums over the events $A_i \in \mathcal{A}_X$, we get

- Fact 1:

$$\begin{aligned} E(X) &= \sum_{w \in A_1} X(w)P(w) + \dots + \sum_{w \in A_k} X(w)P(w) \\ &= a_1 P(X = a_1) + \dots + a_k P(X = a_k) \\ &= \sum_{a_i \in \text{Range}(X)} a_i f_X(a_i) \end{aligned}$$

- Fact 2: Expectation is linear; that is, $E(aX + bY + c) = aE(X) + bE(Y) + c$ for any random variables X and Y and reals a, b, c . It is interesting to take $a = b = 0$ and also to take $a = b = 1, c = 0$. This latter extends by induction to show

$$E(X_1 + \dots + X_n) = E(X_1) + \dots + E(X_n). \quad (7)$$

- Fact 3 (mean of the geometric): Let W_1 be the wait for the first success in Bernoulli trials with success probability \mathcal{P} . Then $\boxed{E(W_1) = 1/\mathcal{P}}$. (You expect to wait twice as long for an event that is half as likely). This was proved by showing

$$\sum_{n=1}^{\infty} nP(W_1 = n) = \sum_{n=1}^{\infty} n\mathcal{P}(1 - \mathcal{P})^{n-1} = \frac{1}{\mathcal{P}}.$$

- Fact 4 (mean of the negative binomial): Let W_k be the wait for the k^{th} success in Bernoulli trials with success probability \mathcal{P} . Then $\boxed{E(W_k) = k/\mathcal{P}}$. This implies the identity

$$\sum_{n=k}^{\infty} nP(W_k = n) = \mathcal{P}^k \sum_{n=k}^{\infty} n \binom{n-1}{k-1} (1 - \mathcal{P})^{n-k} = \frac{k}{\mathcal{P}}$$

and is proved probabilistically by noting that $W_k = X_1 + \dots + X_k$, where X_1 is the wait for the first success and X_{i+1} is the wait for the first success *after the i -th*; use (7) and note that each X_i is geometric.

- Fact 5 (mean of the binomial): Let S_n be the number of successes in n Bernoulli trials with success probability \mathcal{P} . Then $\boxed{E(S_n) = n\mathcal{P}}$. This implies the identity

$$\sum_{k=0}^n kP(S_n = k) = \sum_{k=0}^n k \binom{n}{k} \mathcal{P}^k (1 - \mathcal{P})^{n-k} = n\mathcal{P}$$

and is proved using indicators: $S_n = X_1 + \dots + X_n$ where X_i , the indicator (of success) for the i^{th} trial, has $E(X_i) = \mathcal{P}$. Now use (7).

Coupon Collecting: There are n coupon types, each type equally likely. You collect coupons (this means that you sample from the n coupons with replacement) until you have seen r of the types (so probably you have sampled much more than r times). The expected wait needed to collect r different types is

$$1 + \frac{n}{n-1} + \dots + \frac{n}{n-r+1} = n \left[\frac{1}{n} + \dots + \frac{1}{n-r+1} \right];$$

(after you have seen j types you are waiting for an event (a new type) which has probability $(n-j)/n$). An interesting case is $r = n$. The expected wait to collect the whole set of n coupons is about $n \log n$ (natural log).