INDEX

α (Significance level), 37, 223
Agresti-Coull interval, 191–194
Alternative hypothesis, 36
Asymptotic bias, 151

β (Type II error), 226
Barchart, 14
Bayes, 301–322
   Bayes Theorem, 302
   computational issues, 340–341
   importance sampling, 355–359
Bellman, Richard, 341
Bernoulli distribution, 373
Beta distribution, 390–391
   as prior for binomial data, 310
Bias, 122–124, 148
Binomial distribution, 373–374
Bonferroni correction, 233
Bootstrap, 99–129
   accuracy, 125
   bias, 122
   bias for parametric bootstrap, 335
   bootstrap distributions and sampling distributions, 104
bootstrap idea, the, 100
bootstrap sample, 100
center, bias, spread, shape, 103–104
distribution too narrow, 330–331
estimate cdf with ecdf, 107
how many resamples?, 129
Johnson’s t interval, 207
parametric, 331–335
percentile interval, 113–114
vs. permutation test, 116
ratio of means, 120
regression, 279
relative risk, 123–124
sample rows of the data, 279
single population, 101
smoothed, 327–331
standard error, 102
stratified, 340
t confidence interval, 195–200
two populations, 114
variation of bootstrap distribution, 125, 128
Z interval, 208
Boxplot, 19

\( \chi^2_m \), 57, 385

Case studies

- Beer and hot wings, 8, 26–27, 38–42, 47–48, 295, 359
- Birth weights of babies, 2, 20, 99–102, 190, 198, 215–217, 297
- Black spruce seedlings, 8, 31, 70, 202, 240, 248, 255, 261–262
- Bushmeat, 283–286
- Flight delays, 1, 13–15, 20, 30, 69, 72, 133, 203
- General Social Survey (GSS), 5–6, 31, 52–56, 72, 192, 195, 205, 218, 219, 244, 324
- Wind energy, 144–146, 154, 331–334

Categorical variable, see Variable, categorical, 406

- Cauchy distribution, 142, 159
- Cause and effect, 9
- cdf, see Cumulative distribution function
- Census, 6
- Center, 14, 17
- Central Limit Theorem, 84–92
  - accuracy, 90
  - binomial data, 87–90
  - finite population, 91
- Chebyshev’s Inequality, 158, 368
- Chi-square distribution, 57, 385–388
  - sum of chi-square random variables, 386
- Chi-square test, see Independence, 48
- Confidence interval
  - Agresti-Coull, 193–194
  - bootstrap \( t \) vs. formula \( t \), 200
  - for difference of two proportions, 194–195
  - for difference of two means, 178–183
    - in general, 183–189
  - Johnson’s \( t \), 207
  - for one mean (\( \sigma \) known), 167–172
  - for one mean (\( \sigma \) unknown), 172–178
  - for one proportion, 191–194
    - one-sided, 189–191
  - Score, 192
  - \( t \) confidence interval, 174, 197, 199
  - \( z \), 167–171

Conjugate family, 312
- Consistency, 157–159
- Contingency table, 14, 52–58
- Continuity correction, 89–90, 220
- Convergence in probability, 157
- Correlation, 251–254
  - bootstrap, 279–283
  - coefficient, 251
  - permutation test for independence, 282
    - sample, 253
- Covariance, 247–251
- Cramer-Rao Inequality, 154
- Credible interval, 313
- Critical region, 224
- Critical value, 224
- Cumulative distribution function, 364
- Curse of dimensionality, 341

Data sets

- Alelager, 241, 298
- Bangladesh, 110–112, 131, 196, 205, 359
- BookPrices, 133
- Case studies, see Case studies
- Cereals, 71
- Challenger, 298
- Fatalities, 286–293
- FishMercury, 132
- Girls2004, 132, 202
- IceCream, 132
- Illiteracy, 295, 298
- Lottery, 73
- Maunaloa, 297
- MnGroundwater, 206
- Phillies2009, 66–67, 70, 73, 299
- Quakes, 162, 359
- Service, 162
- Skating2010, 266–267, 275, 276, 283
- Titanic, 299
- TV, 114–117
- TXBirths2004, 206
- Vollebyall2009, 296
- Walleye, 297
- Watertable, 299

Degrees of freedom

- Welch’s approximation, 179, 208–209
- Delta method, 335–339

Density estimate

- kernel, 328
Design distribution, see Importance sampling

Distribution
beta, see Beta distribution
binomial, see Binomial distribution
chi-square, see Chi-square distribution
exponential, see Exponential distribution
gamma, see Gamma distribution
normal, see Normal distribution
Poisson, see Poisson distribution
translated exponential, see Translated exponential
uniform, see Uniform distribution

Dot plot, 15

ecdf, see Empirical cumulative distribution function
EDA, see Exploratory data analysis
Edgeworth approximation, 91
Efficiency, 151–155

Empirical cumulative distribution function, 24–26
Estimate, 138
Estimator, 109, 138
European stock option, 347–349, 350–352
Exhaustive calculation, 40, 100
Expected value, 364
Experiment, 9
Experimental units, 9
Exploratory data analysis, 13
Exponential distribution, 381–382
rate parameter, 381
scale parameter, 381

F distribution, 391–393
Finite population, see Population
Fisher, Ronald, A., 57
Fitted value, 255
Five-number summary, 19

Galton, Francis, 258
Gamma distribution, 382–385
sum of gamma random variables, 385
Geometric distribution, 376
German tank problem, 185–186, 208
Goodness-of-fit test
all parameters known, 63–66

some parameters estimated, 66–68
Google web optimizer, 233, 320

Histogram, 15
Homogeneity, test of, 61–63
Hypergeometric distribution, 378–379
Hypothesis
alternative, 36
composite, 234
null, 36
simple, 234

Hypothesis test, 35
one sample mean t test, 212–213
one sample mean z test, 211–212
one sample proportion z test, 213–215
one-sided, 37
two sample means t test, 215–217
two sample proportions z test, 218–220
two-sided, 37

I, see Indicator function, 406
i.i.d, 367
Importance function, see Importance sampling, 406
Importance sampling, 346–357
design distribution, 347
importance function, 347
target distribution, 347
Improper prior, 308

Independence
chi-square test of, 58–61
and correlation, 282–283
permutation test for, 54–58
of random variables, 365

Indicator function, 352
Inference, 7
Infinite population, see Population
Interquartile range, 18
IQR, see Interquartile range

Joint density, 365

Kernel density estimate, see Density estimate
Kurtosis, 28–29

Law of Averages, 367–368
Law of Total Probability, 363
Least-squares regression, see Regression
Likelihood
Bayesian, 303, 309
function, 136, 137, 139
generalized ratio test, 237–239
ratio test, 234–237
ratio test statistic, 235
Linear model, 266
assumptions, 267–268, 277–279
inference for response, 273–277
inference for slope and intercept, 270–273
Location parameter, 186
Logistic regression, 286–294
inference, 291–294

MAD, see Median absolute deviation
Margin of error, 171
Markov’s Inequality, 158
Matched pairs, 119
Maximum likelihood estimate, 136, 137, 139
Maximum likelihood estimation
continuous variables, 139–143
discrete variables, 136–138
multiple parameters, 143–146
Mean, 17
midmean, 17
of a sample of random variables, 366
trimmed, 17
Mean absolute deviation, 18
Mean square error, 155–157
Median, 17
Memoryless property, 382
Method of moments, 146–148
mgf, see Moment generating function
MLE, see Maximum likelihood estimate
Moment, 370
central, 28, 370
Moment generating function, 371
Monte Carlo
importance sampling, see Importance sampling
integration, 341–345
sampling, 125
MSE, see Mean square error
Multinominal distribution, 374–376
Multiple testing, 232

Negative binomial distribution, 377–378
Neyman-Pearson Lemma, 236

Normal distribution, 368–370
as prior for continuous data, 316–319
sum of squared normal random variables, 386
sums of normal random variables, 369–370
Normal quantile plot, 23
Null distribution, 38, 211
Null hypothesis, 36
Observation, 1
Observational study, 9
Odds, 287
Outliers, 19, 177, 262

\( P \)-value, 37
vs. critical region, 233–234
one-sided vs two-sided, 47–48
for permutation test, 40
two-sided, 47–48
Paired data, 119
Parameter, 5
pdf, see Probability density function
Pearson, Karl, 54, 57
Permutation distribution, 41
Permutation resample, see Resample
Permutation test, 38–52, 116
assumptions, 51
for independence, 54–58
two sample, 40
Plug-in principle, 106–107
pmf, see Probability mass function
Poisson distribution, 379–380
sum of Poisson random variables, 380
Population, 3
finite, 4
infinite, 4
standard deviation, 18
variance, 18
Posterior distribution, 303, 309
Power, 226–231
Precision, 317
Predicted value, 255
Prediction interval, 276
Prior distribution, 303,309
conjugate family, 312, 316
flat, 312
improper, 308
non-informative, 312
Probability density function, 364
Probability mass function, 363
Proportion of variance explained, see R-Square

$q_p$, 21
qq plot, see Quantile-quantile plot
Quantile, 21
Quantile-quantile plot, 23

$\rho(X, Y)$, 251
$r$, 253
$r^2$, 261
R-Square, 261
Random assignment, 10
Random variable
  continuous, 364
  discrete, 363
Range, 18
Reference distribution, 38, 211
Regression
  least-squares, 254–265
  logistic, 286–294
  multiple, 265
Regression toward the mean, 258–259
Relative efficiency, 349
Resample
  bootstrap, 100
  permutation, 40
Residual, 261
  assumptions in regression, 278–279
  plot, 261
  standard error, 270

$S$, 150, 270,
$s_x$, $s_y$, $s_{xy}$, 256
$s$, 18
Sample, 3
  cluster, 7
  finite population, 4
  multi-stage, 7
  probability, 7
  random, 3
  with replacement, 4
  without replacement, 4
  standard deviation, see Sample standard deviation

stratified, 7, 339–340
variance, see Sample standard deviation
Sample standard deviation, 18
  as estimate of $\sigma$, 172
  $S^2$ is unbiased estimate of $\sigma^2$, 149
Sample variance, see Sample standard deviation
Sampling
  Monte Carlo, see Monte Carlo sampling
  stratified, 339–340
Sampling distribution, 77, 79
  by calculating, 82–84
  Central Limit Theorem, 84–92
  of the maximum of a sample, 83
  of the minimum of a sample, 83
  by simulation, 80–82
Sampling frame, 7
Scale parameter, 187
Scatter plot, 26–28
Scatter plot smooth, 262
Sequential data, 319–322
Sidak correction, 232
Significance level, 37, 223
Skewness, 28–30
  and the bootstrap, 110, 200
  and $t$ confidence intervals, 176-177, 180
SLLN, see Strong law of large numbers
Smoothing spline, 264
Spread, 18
Standard deviation
  population, see Population standard deviation
  of a random variable, 365
  sample, see Sample standard deviation
Standard error, 79
  bootstrap, see Bootstrap residual, 270
Statistic, 5
Statistical significance, 14, 36
  lack of, 231–232
  vs. practical importance, 231
  searching for, 232
Stratified sampling, see Sampling
Strong law of large numbers, 367–368
Student’s $t$ distribution, see $t$ distribution, 388
Subjects, 9
Surveys, 6–8
INDEX

\textit{t} distribution, 172–173, 388–390
\textit{t} statistic
\begin{itemize}
  \item one sample mean, 172, 212
  \item two sample means, 178, 215
\end{itemize}
\textit{t} test, see Hypothesis test
Test statistic, 37
\begin{itemize}
  \item chi-square, 54, 60
  \item choice of, 42
\end{itemize}
Transformation invariance, 160, 339
Translated exponential distribution, 350
Treatments, 9
Tukey, John, 13
Type I error, 221–226
Type II error, 221, 226–231
Ulam, Stanislaw, 125
Unbiased estimator, 148–151
Undercoverage, 7
Uniform distribution, 381
\begin{itemize}
  \item maximum of a random sample, 83
  \item minimum of a random sample, 83
\end{itemize}
Variable, 1
\begin{itemize}
  \item categorical, 13
\end{itemize}
Variance
\begin{itemize}
  \item pooled, 181–183, 217
  \item population, see Population standard deviation
  \item of a random variable, 364
  \item sample, see Sample standard deviation, 406
\end{itemize}
von Neumann, John, 125
Weibull distribution, 144
Welch’s approximation, 179, 208–209
Wilson interval, 193