Norwegian University of Science and Technology
Department of Mathematical Sciences

TMA4267 Linear statistical models 2024 spring
Compulsory exercises 1

Problem 1 Bivariate normal distribution

Assume that $\boldsymbol{X}$ is a bivariate normal random variable with

$$\boldsymbol{\mu} = E\boldsymbol{X} = \begin{pmatrix} 0 \\ 2 \end{pmatrix} \qquad \text{and} \qquad \Sigma = \text{Cov}\, \boldsymbol{X} = \begin{pmatrix} 3 & 1 \\ 1 & 3 \end{pmatrix}.$$

Let

$$\boldsymbol{Y} = \begin{pmatrix} Y_1 \\ Y_2 \end{pmatrix} = \begin{pmatrix} 1/\sqrt{2} & -1/\sqrt{2} \\ 1/\sqrt{2} & 1/\sqrt{2} \end{pmatrix} \boldsymbol{X}.$$

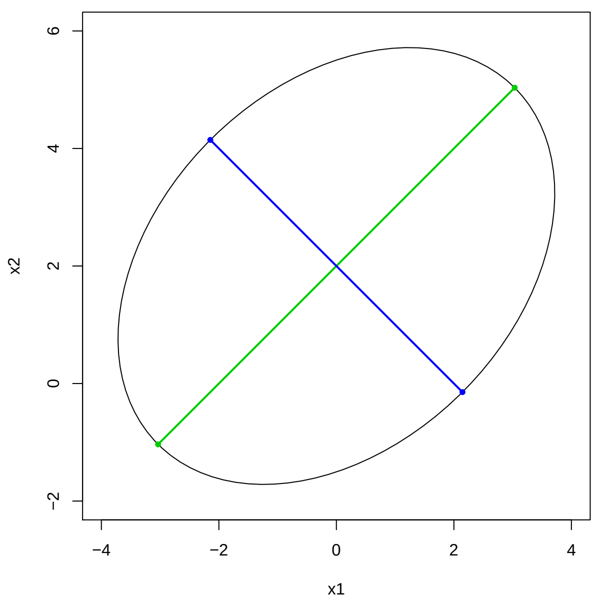
a) Find the mean vector and covariance matrix of $\boldsymbol{Y}$. What is the distribution of $\boldsymbol{Y}$? Are Y_1 and Y_2 independent random variables?

Let f be the pdf of $\boldsymbol{X}$. Contours of f are the $\boldsymbol{x}$ satisfying $f(\boldsymbol{x}) = a$ for some constant $a > 0$, or equivalently $(\boldsymbol{x} - \boldsymbol{\mu})^{\mathrm{T}} \Sigma^{-1} (\boldsymbol{x} - \boldsymbol{\mu}) = b$ for a corresponding constant $b > 0$. In the figure below, the contour for $b = 4.6$ is shown.

b) Explain the connections between the covariance matrix Σ, the chosen value of b and features of the ellipse (e.g. principal axes and their half-lengths). Mark these features on the figure (make a drawing or use the printed figure). What is the probability that $\boldsymbol{X}$ falls within the given ellipse?

The following information might be useful:

```
> sigma=matrix(c(3,1,1,3),ncol=2)
> sigma
     [,1] [,2]
[1,]    3    1
[2,]    1    3
> eigen(sigma)
$values
[1] 4 2
$vectors
          [,1]       [,2]
[1,] 0.7071068 -0.7071068
[2,] 0.7071068  0.7071068
> qchisq(0.9,2)
[1] 4.60517
```



Problem 2 Distributional results for $\bar{X}$ and S^2 for a univariate normal sample

Let $X_1, X_2, \ldots, X_n$ be a (univariate) random sample from some population. Define $\bar{X} = \frac{1}{n}\sum_{i=1}^{n} X_i$ and $S^2 = \frac{1}{n-1}\sum_{i=1}^{n}(X_i - \bar{X})^2$.

Futher, let $\mathbf{1}$ be an n-dimensional vector of 1s. Then $\mathbf{1}\mathbf{1}^{\mathrm{T}}$ is an $n \times n$ matrix of 1s. Let I be an $n \times n$ identity matrix. The matrix

$$C = I - \frac{1}{n}\mathbf{1}\mathbf{1}^{\mathrm{T}} = \begin{pmatrix} 1-1/n & -1/n & \cdots & -1/n \\ -1/n & 1-1/n & \cdots & -1/n \\ \vdots & \vdots & \ddots & \vdots \\ -1/n & -1/n & \cdots & 1-1/n \end{pmatrix}$$

is called the *centring matrix*. Let $\boldsymbol{X} = (X_1\ X_2\ \cdots\ X_n)^{\mathrm{T}}$.

a) Show that $\bar{X} = \frac{1}{n}\mathbf{1}^{\mathrm{T}}\boldsymbol{X}$ and that $S^2 = \frac{1}{n-1}\boldsymbol{X}^{\mathrm{T}}C\boldsymbol{X}$.
Hint: Start by considering the ith component of $C\boldsymbol{X}$, and observe that C is symmetric and idempotent.

Now, assume in addition that the random sample is taken from the univariate normal distribution with mean μ and variance σ^2. In the notation of TMA4267, $\boldsymbol{X} \sim N(\mu\mathbf{1}, \sigma^2 I)$.

In your first statistics course, you were told that the T-statistic,

$$T = \frac{\bar{X} - \mu}{S/\sqrt{n}},$$

follows a t-distribution with $n-1$ degrees of freedom. This result follows from $(\bar{X}-\mu)/(\sigma/\sqrt{n}) \sim N(0,1)$ and $(n-1)S^2/\sigma^2 \sim \chi^2_{n-1}$, and independence of $\bar{X}$ and S^2.

With your new skills on the multivariate normal distribution, you can prove independence of $\bar{X}$ and S^2, and $(n-1)S^2/\sigma^2 \sim \chi^2_{n-1}$.

b) Show that $\frac{1}{n}\mathbf{1}^{\mathrm{T}}C = \mathbf{0}^{\mathrm{T}}$. What does this imply about $\frac{1}{n}\mathbf{1}^{\mathrm{T}}\boldsymbol{X}$ and $C\boldsymbol{X}$? How can you use this to conclude that $\bar{X}$ and S^2 are independent?

c) Derive the distribution of $(n-1)S^2/\sigma^2$.
Hint: $S^2 = \frac{1}{n-1}\boldsymbol{X}^{\mathrm{T}}C\boldsymbol{X}$, where C is symmetric and idempotent. In general, if R is a symmetric and idempotent matrix with rank r, and $\boldsymbol{Y} \sim N(\mathbf{0}, I)$, then $\boldsymbol{Y}^{\mathrm{T}}R\boldsymbol{Y} \sim \chi^2_r$ (which we saw in a lecture and is stated by Fahrmeir, Kneib, Lang and Marx (2013) in Theorem B.8.2 on p. 651). Note, however, that $\boldsymbol{X}$ is not assumed to be $N(\mathbf{0}, I)$.