Test 2 Checklist

1. probability of an event "E"
   (a) $0 \leq P(E) \leq 1$
   (b) the complement of E ("not E") is denoted $\overline{E}$

$$P(\overline{E}) = 1 - P(E)$$

2. types of probability:
   (a) empirical probability: relative frequency of historical results, experiments, simulations
   (b) subjective probability: educated guess based on the knowledge/belief of the observer
   (c) theoretical probability: mathematical model
3. probability distribution for a random variable x (x=L1, $P(x)$=L2)
   (a) sample space Ω is the set of possible outcomes
   (b) for empirical distributions, the sum of frequency is the sample size n
   (c) PDF = probability = proportion = relative frequency
   (d) use CDF to get percentiles
   (e) $\sum P(x) = 1$
   (f) "expected value" is the mean
4. randomness, simulations, law of large numbers
5. equally likely outcomes $P(E) = \frac{\#\text{ E}}{\#\ \Omega}$
6. joint probability
   (a) "and" - use multiplication: $P(A \text{ and } B) = P(A)P(B|A)$
   (b) A and B are independent if $P(A \text{ and } B) = P(A)P(B)$ (the events don't affect each other)
   (c) multiple events: multiply probabilities of each step, given the previous ones
   (d) with / without replacement
   (e) "or" - use addition: if an event could happen different ways, add the probabilities
   e.g. probability of 2 heads in three tosses = P(HHT) + P(HTH) + P(THH)
   (f) don't double-count, use a Venn diagram if events are not disjoint
   (g) "at least one" easier to work with if you translate to "not zero"
7. binomial distribution $X \sim BI(n, p)$
   (a) x is the sum of repeated, independent, and identical binary trials
   (b) theoretical mean $\mu = np$, st dev $\sigma = \sqrt{np(1-p)}$
   (c) binompdf(n,p,x) gives the probability of exactly x
   (d) binomcdf(n,p,x) gives the probability of less than or equal to x
   (e) be able to recognize binomial distribution in applications
8. normal distribution $X \sim N(\mu, \sigma)$
   (a) bell shaped with thin tails

(b) 68, 95, 99.7 "empirical rule", and connection with z-scores

(c) draw a picture when you work these problems

(d) normcdf(a, b, μ, σ) gives the probability that x is between a and b

(e) invnorm(A, μ, σ) gives the x value with area A to the left of it

9. sampling distribution

(a) empirical/sample statistics $(\overline{x}, s)$ versus theoretical/population statistics (μ, σ).

(b) $\overline{x}$ (the group average) is itself a random variable, and

$$\sigma_{\overline{x}} = \frac{\sigma}{\sqrt{n}}$$

this is called the "standard error" of $\overline{x}$

(c) Central Limit Theorem: if the individuals are independent, then as n gets larger,

$$\overline{x} \sim N\left(\mu, \frac{\sigma}{\sqrt{n}}\right)$$

(d) use the CLT when you are interested in the group average or total

10. Linear regression and correlation

(a) scatterplots

(b) use LinRegTtest to find and work with the regression line $y = a + bx$ that best fits the data.

(c) the slope of the line is the coefficient of the x.

(d) You can use the regression line to estimate y for a given x:

- interpolation if x is within known points
- extrapolation if it lies outside known points

(e) the sample correlation r is between -1 and 1

(f) $|r|$ measures how tightly the cloud of data points cluster around the regression line.

(g) r has the same sign as the slope

(h) Be able to explain positive/negative and weak/strong correlation intuitively.

(i) Know the difference between correlation and causation.

11. models

(a) be able to select an appropriate model for the given problem or data

(b) discrete (e.g. binomial) vs continuous (e.g. normal) distributions

(c) area under the graph represents probability

(d) for a continuous random variable and a number c, $P(x = c) = 0$; because a line contains zero area

(e) translate words into equations or inequalities, and then find probability using PDF or CDF

(f) be able to work two step problems

(g) be able to solve for parameters (e.g. n, p, μ, σ) to satisfy a given requirement, possibly using guess-check

(h) remember that many models assume that observations are independent