STA 623 – Fall 2011 – Dr. Charnigo

Section 3.3: Continuous Distributions

Normal distribution. A random variable X has the normal distribution with mean $\mu \in (-\infty, \infty)$ and standard deviation $\sigma \in (0, \infty)$ if its probability density function is

$$f(x) = (2\pi)^{-1/2}\sigma^{-1}\exp[-(x-\mu)^2/(2\sigma^2)].$$

Suppose that X has the normal distribution with mean μ and standard deviation σ. Let $a \in (-\infty, 0) \cup (0, \infty)$ and $b \in (-\infty, \infty)$. Then we can readily verify that $aX + b$ has the normal distribution with mean and standard deviation A special case is $a := \sigma^{-1}$ and $b := -\mu\sigma^{-1}$, which yields the normal distribution with mean 0 and standard deviation 1 (called the standard normal distribution).

The practical importance of the above result is that any probability involving a normal random variable can be expressed as a probability involving a standard normal random variable, and the cumulative distribution function of a standard normal random variable has been tabulated. An abbreviated table is shown below, where Z denotes a standard normal random variable. The process of defining $Z := \sigma^{-1}X - \mu\sigma^{-1} = (X-\mu)/\sigma$ and calculating a probability involving X in terms of Z is called standardization.

Table 1:

z	$P(Z \leq z)$	z	$P(Z \leq z)$
-3	0.0013	1	0.8413
-2	0.0228	2	0.9772
-1	0.1587	3	0.9987
0	0.5000		

To illustrate, suppose that X has the normal distribution with mean 100 and standard deviation 10. What is $P(X \geq 70)$? What is $P(90 \leq X \leq 120)$?

Normal distributions are of special interest for two reasons. First, many physical, biological, or social phenomena can reasonably be modeled using a normal distribution. Second, if a random variable X can be expressed as a sum of independent random variables $X_1, \ldots, X_n$, then under fairly general conditions the cumulative distribution function of X can be approximated by the cumulative distribution function of a normal random variable with mean $E[X]$ and standard deviation $\sqrt{Var[X]}$. This is a consequence of the Central Limit Theorem, with which you will become familiar in STA 606.

For instance, we know that a binomial random variable X with parameters p and n can be expressed as $X_1 + \cdots + X_n$, where $X_i := 1_{\{\text{success on trial i}\}}$ for $i \in \{1, \ldots, n\}$. Since X has mean np and standard deviation $\sqrt{np(1-p)}$, the Central Limit Theorem tells us that the cumulative distribution function of X can be approximated by the cumulative distribution function of a normal random variable with mean np and standard deviation $\sqrt{np(1-p)}$. Or, put differently, $(X - np)/\sqrt{np(1-p)}$ "looks" like a standard normal random variable. The quality of the approximation gets better as $np(1-p)$ gets larger.

To illustrate, suppose that X has the binomial distribution with parameters $p = 0.5$ and $n = 100$. Then $np = 50$ and $\sqrt{np(1-p)} = \sqrt{25} = 5$. Letting Z denote a standard normal random variable, we have

$$P(45 \leq X \leq 55) = P(-1 \leq (X - 50)/5 \leq 1) \approx P(-1 \leq Z \leq 1) =$$

Actually, since $P(45 \leq X \leq 55) = P(45 - \delta < X < 55 + \delta)$ for any $\delta \in (0, 1]$, we can validly approximate this probability by $P(-1 - \delta/5 < Z < 1 + \delta/5)$. Such a δ is referred to as a continuity correction. The best choice of δ is arguably 0.5, on the grounds that $5Z + 50$ is meant to "look" like X, so $X = 45$ should translate to $44.5 < 5Z + 50 < 45.5$ rather than to (say) $5Z + 50 = 45$ or $44 < 5Z + 50 < 46$. In fact, with $\delta = 0.5$, we obtain $P(-1.1 < Z < 1.1) = 0.7287$, which is in agreement with the actual value of $P(45 \leq X \leq 55)$ to four decimal places.

Gamma distribution. A random variable X has the gamma distribution with parameters $\alpha \in (0, \infty)$ and $\beta \in (0, \infty)$ if its probability density function is

$$f(x) = \frac{1}{\Gamma[\alpha]\beta^\alpha} x^{\alpha-1} \exp[-x/\beta] 1_{\{x>0\}}.$$

We have $E[X] = \alpha\beta$ and $Var[X] = \alpha\beta^2$. We refer to α as a shape parameter and to β as a scale parameter.

An alternative parametrization replaces β with $1/\lambda$, where $\lambda \in (0, \infty)$. Then $E[X] = \alpha/\lambda$ and $Var[X] = \alpha/\lambda^2$. When necessary to distinguish between the two parametrizations, we call the one with β a "mean" parametrization (because $E[X]$ is proportional to β) and the one with λ a "rate" parametrization (for reasons that will emerge in STA 624, if you take that course).

Worth noting is that the shape of $f(x)$ is highly sensitive to α, which is why α is called a shape parameter. When $\alpha \in (0, 1]$, $f(x)$ is strictly decreasing on $(0, \infty)$. When α exceeds 1, $f(x)$ has a mode — i.e., a point at which $f(x)$ is maximized — interior to $(0, \infty)$. As α continues increasing, the mode of $f(x)$ moves rightward and $f(x)$ takes on a bell-shaped appearance. In fact, for very large α, a gamma distribution is well approximated by a normal distribution. Thus, for purposes of modeling physical, biological, or social phenomena not well described by a normal distribution, a gamma distribution with a small or modest α is a more viable choice than a gamma distribution with a large α.

In the special case that $\alpha = 1$, we say that X has the exponential distribution with scale parameter β.

In the special case that $\alpha = p/2$ and $\beta = 2$, where p is a positive integer, we say that X has the chi-square distribution on p degrees of freedom. (In fact, other than for convenience in producing tables for the backs of methods textbooks, there is no real reason that a chi-square distribution must have integer degrees of freedom. So, if we like, we can just let p be a positive real.) What are the mean and standard deviation of a chi-square random variable on p degrees of freedom? What will X/p "look" like when p is large?

Weibull distribution. Let $\gamma \in (0, \infty)$. If X has the exponential distribution with scale parameter $\beta \in (0, \infty)$, then $Y := X^{1/\gamma}$ has probability density function

$$f(y) = \frac{\gamma}{\beta} y^{\gamma-1} \exp[-y^\gamma/\beta] 1_{\{y>0\}}$$

and is said to have the Weibull distribution with parameters γ and β. We have $E[Y] = \beta^{1/\gamma}\Gamma[1 + 1/\gamma]$ and $Var[Y] = \beta^{2/\gamma}\{\Gamma[1 + 2/\gamma] - \Gamma^2[1 + 1/\gamma]\}$.

For any positive real y we have

$$P(Y \leq y) = \int_0^y \frac{\gamma}{\beta} t^{\gamma-1} \exp[-t^\gamma/\beta]\, dt =$$

We then have

$$S(y) := P(Y > y) =$$

and

$$H(y) := -\frac{d}{dy} \log S(y) =$$

We refer to $S(y)$ as a survival function and to $H(y)$ as a hazard function. We often interpret Y as the lifetime of a person or object, although Y can also be interpreted as the time until some generic event of interest occurs. Retaining the former interpretation for now, the survival function returns the probability that a person or object lives more than y time units. To understand the hazard function, let δ be a small positive number and consider $P(Y \leq y + \delta | Y > y)$. In words, this is the probability of a person or object dying in the next δ time units given that the person or object is alive at time y. We have

$$P(Y \leq y + \delta | Y > y) = \frac{P(y < Y \leq y + \delta)}{P(Y > y)} \approx \frac{\delta f(y)}{S(y)} = \delta H(y).$$

Hence, a hazard function that increases over $(0, \infty)$ signifies a belief that an older person or object is more likely to expire over a short time interval than a younger person or object.

Given the above calculations, what can we say about the potential applicability of a Weibull distribution to describe a lifetime?

Beta distribution. A random variable X has the beta distribution with parameters $\alpha \in (0, \infty)$ and $\beta \in (0, \infty)$ if its probability density function is

$$f(x) = \frac{\Gamma[\alpha + \beta]}{\Gamma[\alpha]\Gamma[\beta]} x^{\alpha-1}(1-x)^{\beta-1} 1_{\{0<x<1\}}.$$

We have $E[X] = \alpha/(\alpha + \beta)$ and $Var[X] = \alpha\beta/[(\alpha + \beta)^2(\alpha + \beta + 1)]$.

In the special case that $\alpha = \beta = 1$, we say that X has the uniform distribution on $(0, 1)$. Moreover, if a and b are any reals with $a < b$, then $a + (b - a)X$ is said to have the uniform distribution on (a, b).

A beta distribution is sometimes employed in microarray data analysis. For instance, suppose that there are 5000 genes and that, for each gene, we have tested a null hypothesis that the mean expression level of the gene is the same within each of two populations, say people with and without a particular illness. (Here I am taking for granted that you already have some knowledge of hypothesis testing from STA 602. You will study hypothesis testing from a more theoretical perspective in STA 606, but that theoretical perspective is not required here.) Thus, for each gene we have obtained a p-value. If all 5000 null hypotheses are true, then the p-values should be uniformly distributed on $(0, 1)$. However, if some of the null hypotheses are false, then there should be more small p-values than large p-values. What can we say about the potential applicability of a beta distribution to describe such a collection of p-values?

Cauchy distribution. A random variable X has the Cauchy distribution with parameters $\mu \in (-\infty, \infty)$ and $\sigma \in (0, \infty)$ if its probability density function is

$$f(x) = \frac{1}{\pi\sigma} \frac{1}{1 + (x - \mu)^2/\sigma^2}.$$

We cannot call μ a mean since $E[X]$ does not exist as a finite number, nor can we call σ a standard deviation since $E[X^2]$ does not exist as a finite number. Instead, we call μ a location parameter and σ a scale parameter. Actually, we can be more specific and call μ a median, since $P(X \leq \mu) = P(X \geq \mu) = 1/2$.

Lognormal distribution. A random variable X has the lognormal distribution with parameters $\mu \in (-\infty, \infty)$ and $\sigma \in (0, \infty)$ if its probability density function is

$$f(x) = (2\pi)^{-1/2}\sigma^{-1}x^{-1}\exp[-(\log x - \mu)^2/(2\sigma^2)]1_{\{x>0\}}.$$

The lognormal distribution is so named because $\log X =: Y$ has the normal distribution with mean μ and standard deviation σ. Thus, lognormal distributions are appealing models for physical, biological, or social phenomena whose quantifications are strictly positive (so that their logarithms are defined) with logarithms that are well described by a normal distribution.

Recalling that $M_Y(t) = \exp[\mu t + \sigma^2 t^2/2]$, we see that

$$E[X] = E[\exp Y] = \exp[\mu + \sigma^2/2] \quad \text{and}$$

$$\begin{aligned} Var[X] &= E[X^2] - E[X]^2 \\ &= \end{aligned}$$

Double exponential distribution. A random variable X has the double exponential distribution with parameters $\mu \in (-\infty, \infty)$ and $\sigma \in (0, \infty)$ if its probability density function is

$$f(x) = (2\sigma)^{-1}\exp[-|x - \mu|/\sigma].$$

While unimodal (i.e., possessing only one mode), $f(x)$ is not bell-shaped.

Putting $y := x - \mu$, we have

$$\begin{aligned} E[X] &= \int_{-\infty}^{\infty} x(2\sigma)^{-1}\exp[-|x-\mu|/\sigma]\ dx \\ &= \int_{-\infty}^{\infty} (y+\mu)(2\sigma)^{-1}\exp[-|y|/\sigma]\ dy \\ &= \end{aligned}$$

We can also show that $Var[X] = 2\sigma^2$.