INTRODUCTION TO PROBABILITY MODELS

Lecture 1

Qi Wang, Department of Statistics

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ABOUT THE INSTRUCTOR

- **Course Instructor:** Qi Wang (Pronounced as Chee Waung)
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- **Office:** MATH G143
SYLLABUS
COURSE INFO

- **Textbook:** Introduction to Probability by Mark Daniel Ward and Ellen Gundlach, 1st edition, W.H. Freeman
- **Course website:**
  http://www.stat.purdue.edu/~cfurtner/stat2
  - **user name:** stat225
  - **password:** spring2018
## GRADING

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Homework</td>
<td>22.0%</td>
<td>125pts</td>
</tr>
<tr>
<td>Quizzes</td>
<td>18.4%</td>
<td>105pts</td>
</tr>
<tr>
<td>Exam 1</td>
<td>17.5%</td>
<td>100pts</td>
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<tr>
<td>Exam 2</td>
<td>17.5%</td>
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<tr>
<td>Final Exam</td>
<td>22.0%</td>
<td>125pts</td>
</tr>
<tr>
<td>Class Participation</td>
<td>2.6%</td>
<td>15pts</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100%</td>
<td>570pts</td>
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GRADES

- There will be **NO** curving of individual exam grades
- A student must earn a minimum of 60% on AT LEAST ONE of the 3 exams in order to pass this class.
QUIZ

- 8 are scheduled
- Close book and close notes
- The lowest quiz will be dropped
- Make-up quiz
  - Official documented University business or a documented illness
  - Contact your instructor at least TWO DAYS in advance
HOMEWORK

• 5 assignments
• Due at the beginning of class
• Late homework will NOT be accepted
• Must be handwritten or typed using mathematical notation.
• Each homework is worth 25 points, NO homeworks are dropped.
EXAMS

- Two evening exams from 8:00 -- 9:30 pm
  - **Exam 1:** Thursday, 2/15/2018
  - **Exam 2:** Thursday, 3/29/2018
- A final exam, during the day during final exam week
- Close book and close notes
- Items allowed
  - pencils
  - erasers
  - a scientific calculator (must not have capability to do integration)
  - one-page cheat sheet for mid-terms and two-page for the final
- Show a photo ID to your instructor
CHEAT SHEET

• $8 \frac{1}{2} \times 11$
• Handwritten in your own writing
• Both sides
• Handing in your cheat sheet at the end of the exam is required
• Use of printed or photocopied material on a cheat sheet is prohibited and considered cheating in this course
EMERGENCY

- If you hear a fire alarm inside, proceed outside
- If you hear a siren outside, proceed inside
- Fire emergency:
  - immediately suspend class, evacuate the building, and proceed outdoors
  - do not use the elevator
  - meet outside by fountain near John Purdue’s grave
- Tornado warning/severe weather event
  - suspend class and shelter in interior hallway on 1st floor
- Shelter in place
  - suspend class and shelter in the classroom
  - shutting the door and turning off the lights
BASIC TERMINOLOGY
BASIC TERMINOLOGY

This course is a course on Probability. The following terminology will assist us in the study of Probability.
• **Element:** a single item(outcome), typically denoted by $\omega$
• **Set:** a collection of elements
  - For example, $A = \{x, y, z\}$
  - $x \in A$, $x$ is a memeber of set $A$
  - $j \notin B$, $j$ is not a smember of set $B$
• **Population:** the collection of all individuals or items under consideration
• **Random Experiment:** an action whose outcome cannot be predicted with certainty beforehand
• **Sample Space:** the set of all possible outcomes for a random experiment, typically denoted by $\Omega$, the textbook uses $S$
• **Event** a result that may or may not occur, a subset of $\Omega$
• **Subset:** a set in which every element is contained in another set
  - Notation: $A \subset B$, $A$ is a subset of $B$
• **Complement:** a set that contains all of the elements in $\Omega$ that aren't in the original set
  - Notation: $A^c$ is the complement of $A$
• **Empty Set:** the set with no element in it, denoted by $\emptyset$ or $\{\}$
EXAMPLE 1

We check whether the Standard and Poor’s 500 Index at the end of the day shows an increase, a decrease or remains the same as the previous days ending index.

1. For one day, what is the sample space for this scenario?
2. What is the sample space for two days?
3. Define event A: the S & P decreases at least one day. List the outcomes in A.
4. What are the outcomes in the complement of A?
5. What do you notice if we combine A and its complement?