

Contents

1	Introduction	1
1.1	The Role of Statistics	2
1.2	Preliminaries	4
1.3	Estimation	6
1.4	Assessing an Estimator	8
1.5	Confidence Intervals	9
1.6	Hypothesis Testing	10
1.7	Loss Function	12
1.8	Problems, Exercises and Suggested Reading	14
	References	15
2	Estimating the Mean	17
2.1	Estimation with an Asymmetric Loss	17
2.2	Numerical Optimisation	19
2.3	Plausible Loss Functions	21
2.4	Other Classes of Loss Functions	23
2.4.1	LINEX Loss	24
2.5	Comparing Two Means	26
2.6	Problems, Exercises and Suggested Reading	29
	References	31
3	Estimating the Variance	33
3.1	Unbiased and Efficient Estimation	33
3.2	Loss Functions for Variance Estimators	35
3.3	Variance Versus a Constant	39
3.3.1	Decision with Utilities	40
3.3.2	Multiplicative Loss	41
3.4	Estimating the Variance Ratio	43
3.5	Problems, Exercises and Suggested Reading	46
	References	47

4	The Bayesian Paradigm	49
4.1	The Bayes Theorem	49
4.2	Comparing Two Normal Random Samples	53
4.3	Decision with Estimated σ^2	58
4.4	Problems, Exercises and Suggested Reading	63
	References	64
5	Data from Other Distributions	65
5.1	Binary Outcomes	65
5.2	Poisson Counts	70
5.3	Continuous Distributions: Transformations and Mixtures	74
5.4	Problems, Exercises and Suggested Reading	76
	References	77
6	Classification	79
6.1	Introduction	79
6.2	Normally Distributed Marker	80
6.3	Markers with Other Distributions	84
6.3.1	Markers with t Distribution	84
6.3.2	Beta Distributed Markers	86
6.3.3	Gamma Distributed Markers	87
6.4	Looking for Contaminants	88
6.5	Problems, Exercises and Suggested Reading	91
	References	93
7	Small-Area Estimation	95
7.1	Composition and Empirical Bayes Models	96
7.2	Estimation for a Policy	98
7.3	Application	102
7.3.1	Limited Budget	105
7.4	Conclusion	106
7.5	Appendix: Estimating σ_B^2	107
7.6	Problems, Exercises and Suggested Reading	108
	References	109
8	Study Design	111
8.1	Sample Size Calculation for Hypothesis Testing	112
8.2	Sample Size for Decision Making	112
8.3	Problems, Exercises and Suggested Reading	118
	References	119
	Index	121