

Index

- abelian group, 240
- addition theorem of probability, 73–4
- alternating subgroup, 255–6
- arbitrage, 107–11
- arbitrage theorem, 111–16, 191–4
- arcs, *see* edges of graphs
- associative property of groups, 237
- assignment problem, 160–3, 176–7
- augmentation algorithm, 154–7

- ballot problem, 58–60
- bar graph, 220
- basic principle of counting, 34
 - generalized, 35
- Bayes' formula, 84
- Bernoulli random variable, 89, 92–3
- Bernoulli's inequality, 29
- best prize problem, 82–4
- binary rooted tree, 216
- binary search, 213–14
- binomial coefficient, 43
- binomial random variable, 86, 93
- binomial theorem, 43–5
- birthday problem, 75–6
- Black–Scholes option formula, 120
- bubble sort, 203–6

- cardinality of a set, 47
- Cauchy–Schwarz inequality, 232
- Cayley's group isomorphic theorem, 246–7
- Cayley's theorem, 129–31
- characteristic function, 31
- Chebyshev's inequality, 227–8
- chromatic number, 147, 148
- clique, 134–5, 139–40
- combinations, 40
- communicate, 124
- complement graph, 136
- complement of a set, 2

- complete graph, 127
- component of a graph, 124
- composition of permutations, 237–8
- compound interest, 97–100
 - continuously, 99
- conditional probability, 77–8, 80–5
- connected graph, 126
- coset, 250
- coupon collecting identity, 52
- coupon collecting problem, 51–2
- cut, 152
- cycle, 124
- cycle permutation, 244
- cyclic subgroup, 247, 261

- DeMorgan's laws, 28
- diameter of graph, 147
- digraph, *see* directed graph
- Dijkstra algorithm, 171–5
- directed graph, 150
- domain of a function, 17
- doubling rule, 121
- dual linear program, 188–90
- duality theorem of linear programming, 190

- edges of a graph, 124
- equipment selection problem, 167–70
- Euclid's algorithm, 25
- Euclid's division lemma, 23
- Euler cycle, 141
- Euler graph, 142–4
- even permutation, 254–8
- event, 71
- expected value of a random variable, 87–8, 90–2

- fair, *see* unbiased
- Fermat numbers, 252–4
- Fermat's combinatorial identity, 66

264 *Index*

- Fermat's little theorem, 40, 252
 finite set, 1
 forwards contracts, 109–10
 frequency table, 220
 function, 17–23
 concave, 20–2
 convex, 20–3
 decreasing, 17
 increasing, 17
 polynomial, 19
 fundamental theorem of arithmetic, 25–7
 futures contracts, 110
- Galois's theorem, 259
 game theory, 194–9
 geometric Brownian motion, 120
 graph, 125
 greatest common divisor, 24
 greedy algorithm, 131–4
 group, 238
- Hall's theorem, 162
 Hamiltonian permutation, 141–2
 Hardy's lemma, 14
 histogram, 220
- identity element of a group, 238
 inclusion–exclusion identity, 48–9
 independence number, 137
 independent events, 80, 95
 independent random variables, 92
 independent set, 137
 infinite set, 1
 interest rate, 97
 effective, 98
 nominal, 98
 simple, 97
 intersection graph, 145
 intersection of sets, 2–4
 inverse element, 238, 259
 isomorphic groups, 246, 261
- Lagrange's theorem, 251–3
 leaf, 127
 line graph, 220
 linear data fit, 186–8
 linear function, 183
 linear program, 178
- m -ary rooted tree, 215
 mathematical induction, 8–17
 strong version of, 16
 maximum flow problem, 150–60
 max-flow min-cut theorem, 154
 mean, *see* expected value of a random variable
 Menger's theorem, 159
 merge sort, 209–10
 minimax theorem of game theory, 197–9
 minimum spanning tree problem, 131–4
 multiplication theorem of probability, 79
- negatively correlated data pairs, 231
 node, *see* vertex of a graph
 normal subgroups, 254, 261, 262
- odd permutation, 254, 256
 odds, 113
 options, 104–9
 order of a group, 247, 248–9
- partition of a set, 54–5
 path, 124, 150
 permutation, 36–8
 derangement, 50–1, 55–6
 as a function, 237–8
 inversion of, 69, 205, 257–8
 parity sign of, 255
 permutation graph, 243
 permutation group, 238–40
 pigeonhole principle, 61–3, 136
 positively correlated data pairs, 231
 present value, 100
 primal linear program, 188
 probabilistic method, 138, 140–2
 probability, 71–2
 prime factorization theorem, *see*
 fundamental theorem of arithmetic
 prime number, 25
 Prim's algorithm, 146–7
 put–call option parity formula, 108–9
- quicksort algorithm, 206–9
- random variables, 85
 recursion equations, 52–61
 rooted tree, 214–16

- root of tree, 214
- round-robin tournament, 13, 33, 140–2
- saddlepoint, 195
- sample correlation coefficient, 231–2
- sample mean, 223–4, 234
- sample median, 224
- sample mode, 224
- sample percentile, 234–5
- sample space, 71
- sample standard deviation, 227
- sample variance, 225–6, 234
- scatter diagram, 230
- selection sort, 203
- sequential search, 210–12
- set, 1
- shortest path, 170–5
- sorting, 203
- standard deviation, 93
- standard linear programming problem, 183–8
- standard normal distribution function, 120
- statistical hypothesis tests, 232–3
- statistics, 220, 223
- stem-and-leaf plot, 221–2
- subgroup, 244–5, 260, 261
- subset, 2
- summation, 4–8
- symmetric group, 240
- tournament, 178
- tournament win problem, 163–5
- transposition, 244
- transshipment problem, 166–7
- tree, 127–31
- triangle, 134–5
- Turan’s theorem, 140
- unbiased, 71
- union of sets, 2–4
- universal set, 2
- utility, 89–90
- variance, 92–3
- Venn diagram, 2–3
- vertex of a graph, 124
 - degree of, 127
- well-ordering property of positive integers, 14
- zero-sum game, 194