



Preface	xiii		
1 Introduction	1		
1.1 Data Science and Statistics	2		
1.2 More on Statistics	3		
1.2.1 Populations and Samples	4		
1.2.2 Descriptive versus Inferential Statistics	5		
1.3 An Introduction to R	6		
1.4 Descriptive Statistics	7		
1.4.1 Types of Data	8		
1.4.2 Example Data: US Domestic Flights from 1987 to 2008	9		
1.5 Cross-Sectional Data	9		
1.5.1 Measures of Location	9		
1.5.2 Measures of Variation	16		
1.5.3 Measures of How Two Variables Co-vary	18		
1.5.4 Other Summary Statistics	23		
1.6 Tabular Summaries of Data	25		
1.7 Chapter Summary	27		
1.8 Problems	29		
2 Data Visualization	31		
2.1 Introduction	31		
2.2 Traditional Statistical Graphics	32		
2.2.1 Bar Charts	32		
2.2.2 Pie Charts	35		
2.2.3 Histograms	35		
2.2.4 Lattice (or Trellis) Plots	38		
2.2.5 Box Plots	40		
2.2.6 Scatterplots	43		
2.3 Graphics for Longitudinal Data	46		
2.3.1 Time Series Plots	47		
2.3.2 Repeated Cross-Sectional Plots	48		
2.3.3 Autocorrelation Plots	50		
2.4 Chapter Summary	50		
2.5 Problems	52		
3 Basic Probability	54		
3.1 Introduction	54		
3.2 Events and Sample Spaces	54		
3.2.1 Probability Axioms	56		
3.2.2 Union of Events	57		
3.2.3 Intersection of Independent Events	59		
3.2.4 Complementary Events	60		
3.2.5 Conditional Probability	62		
3.3 Calculating Probabilities	63		
3.3.1 Sample Point Method	64		
3.3.2 Counting Sample Points	66		
3.3.3 Combining Events	70		
3.4 Bringing It All Together	71		
3.4.1 Law of Total Probability	71		
3.4.2 Bayes' Theorem	74		
3.5 Chapter Summary	77		
3.6 Problems	78		

4	Random Variables	82	6.5	Gamma and Weibull Distributions	189
4.1	Introduction	82	6.5.1	Gamma Distribution	189
4.2	Discrete Random Variables	82	6.5.2	Weibull Distribution	192
4.2.1	Probability Mass Function	82	6.6	Distributions Related to the Normal	196
4.2.2	Cumulative Distribution Function	86	6.6.1	Chi-square (χ^2) Distribution	196
4.2.3	Expected Value	88	6.6.2	t Distribution	198
4.2.4	Variance and Standard Deviation	91	6.6.3	F Distribution	201
4.3	Continuous Random Variables	93	6.7	Beta Distribution	202
4.3.1	Probability Density Function	93	6.8	Transformations	205
4.3.2	Cumulative Distribution Function	97	6.8.1	Simulating from Distributions	207
4.3.3	Expected Value	101	6.9	Moment Generating Functions	209
4.3.4	Variance and Standard Deviation	101	6.10	Quantile–Quantile Plots	215
4.4	Expected Value and Variance Properties	102	6.11	Chapter Summary	220
4.5	Joint Distributions for Discrete Random Variables	105	6.12	Problems	221
4.6	Conditional Distributions for Discrete Random Variables	111	7	About Data and Data Collection	226
4.7	Joint Distributions for Continuous Random Variables	113	7.1	Introduction	226
4.8	Conditional Distributions for Continuous Random Variables	121	7.2	Data and the Scientific Method	228
4.9	Conditioning on a Random Variable	123	7.3	Experimental vs. Observational Data	231
4.10	Chapter Summary	126	7.3.1	Convenience vs. Probability Sampling	234
4.11	Problems	127	7.4	Accuracy vs. Precision	234
5	Discrete Distributions	132	7.5	Types of Random Samples	236
5.1	Introduction	132	7.5.1	Sources of Bias	237
5.2	Binomial Distribution	132	7.6	Types of Error	239
5.3	Geometric Distribution	141	7.7	Historical Gaffes in Data Collection	240
5.4	Negative Binomial	146	7.8	Chapter Summary	241
5.5	Hypergeometric Distribution	149	7.9	Problems	242
5.6	Poisson Distribution	154	8	Sampling Distributions	244
5.7	Multinomial Distribution	160	8.1	Introduction	244
5.8	Chapter Summary	164	8.2	Linear Combinations of Random Variables	244
5.9	Problems	166	8.3	Sampling Distributions for Sums and Means	249
6	Continuous Distributions	170	8.4	Sampling Distribution for the Sample Variance	253
6.1	Introduction	170	8.5	The Central Limit Theorem	255
6.2	Uniform Distribution	170	8.6	Normal Approximation to the Binomial	259
6.3	Exponential Distribution	173	8.7	Sampling Distributions for Proportions	263
6.4	Normal Distribution	180	8.8	Tchebysheff's Theorem and the Law of Large Numbers	265
6.4.1	Standardizing	183			
6.4.2	Bivariate and Multivariate Normal Distributions	186			

8.9 Chapter Summary	268	11.5 Testing the Mean: Variance Known	357
8.10 Problems	269	11.5.1 Hypothesis Tests for the Mean from a Population with Known Variance	357
9 Point Estimation	273	11.5.2 Power	360
9.1 Introduction and Intuitive Estimators	273	11.6 Testing the Mean: Variance Unknown	364
9.2 Estimation Criteria	275	11.7 Testing a Proportion	370
9.2.1 Unbiased Estimators	275	11.8 Testing the Variance	373
9.2.2 Consistent Estimators	277	11.9 Likelihood Ratio Tests	374
9.3 Method of Moments	279	11.10 Chapter Summary	380
9.4 Maximum Likelihood	283	11.11 Problems	381
9.5 Approximating MLEs	289		
9.6 Sufficiency	294		
9.7 Chapter Summary	298		
9.8 Problems	299		
10 Confidence Intervals	302	12 Hypothesis Tests for Two or More Populations	386
10.1 Introduction	302	12.1 Introduction	386
10.2 Basic Properties	303	12.2 Testing Two Independent Samples	386
10.3 Large Sample Confidence Intervals	307	12.2.1 Comparing Two Means	386
10.4 Small Sample Confidence Intervals	312	12.2.2 Comparing Two Proportions	398
10.5 Confidence Intervals for Differences	316	12.2.3 Comparing Variances	402
10.5.1 Confidence Intervals for Differences of Proportions	317	12.3 Testing Paired Samples	404
10.5.2 Confidence Intervals for Differences in Means	319	12.4 Single-Factor Analysis of Variance	409
10.5.3 Confidence Interval for Paired Data	324	12.5 Two-Factor ANOVA	425
10.6 Determining the Sample Size	326	12.6 Other Designs for Experiments	430
10.7 Confidence Intervals from Complex Survey Data	330	12.6.1 Two-Level Factorial Designs	431
10.7.1 Sampling from a Finite Population	330	12.6.2 Fractional Factorial Designs	436
10.7.2 Stratified Random Samples	333	12.6.3 Block Designs	439
10.7.3 Cluster Sampling	338	12.6.4 Some Experimental Design Principles	442
10.7.4 Secondary Data Sources	339	12.7 Power	444
10.7.5 Software for Analyzing Data from Complex Surveys	341	12.7.1 Power for Two-Sample t -Test	445
10.8 Chapter Summary	343	12.7.2 Power for One-Factor ANOVA	448
10.9 Problems	344	12.8 Chapter Summary	451
		12.9 Problems	453
11 Hypothesis Testing	348	13 Hypothesis Tests for Categorical Data	459
11.1 Introduction	348	13.1 Introduction	459
11.2 Elements of a Statistical Test	350	13.2 Goodness-of-Fit Tests	460
11.3 Power	354	13.3 Contingency Tables: Testing Independence	465
11.4 P-values	356	13.4 Contingency Tables: Homogeneity	471
		13.5 Fisher's Exact Test	473

x	Contents
13.6	The Continuity Correction and Simulation 479
13.7	McNemar's Test 481
13.8	Higher-Dimensional Tables and Simpson's Paradox 485
13.9	Chapter Summary 488
13.10	Problems 489
14	Regression 493
14.1	Introduction 493
14.1.1	Prediction vs. Explanation 493
14.1.2	Terminology 495
14.1.3	A Working Example 495
14.2	Simple Linear Regression 496
14.3	Properties of the Least Squares Estimators 503
14.4	Inference for Parameters of the Simple Linear Regression Model 510
14.5	Matrix Formulation of Simple Linear Regression 516
14.6	Joint Confidence Regions 518
14.7	Confidence and Prediction Intervals for Responses 520
14.8	Optimal Selection of Levels of Predictor Variables 526
14.9	The ANOVA Table for Simple Linear Regression 528
14.10	Linear Models in More than One Predictor 531
14.11	Indicator Variables 539
14.12	Polynomial and Nonlinear Regression 542
14.13	Inference for a Linear Combination of Model Parameters 546
14.14	Correlation 551
14.15	R^2 and Adjusted R^2 561
14.16	Model Checking 565
14.16.1	Normal Probability Plots 566
14.16.2	Plot of Residuals against the Fitted Values 567
14.17	Chapter Summary 568
14.18	Problems 570
15	Bayesian Methods 574
15.1	Introduction 574
15.2	Bayes' Theorem 575
15.3	The Bayesian Paradigm 581
15.4	Two Paradoxes 585
15.5	Conjugate Priors 588
15.6	Noninformative Priors 596
15.7	Simulation Methods 599
15.7.1	Metropolis–Hastings Algorithm 601
15.7.2	The Gibbs Sampling Algorithm 604
15.8	Hierarchical Bayes Models 606
15.9	Chapter Summary 613
15.10	Problems 614
16	Time Series Methods 618
16.1	Introduction 618
16.2	Using R for Time Series 622
16.3	Numerical Description of Time Series 623
16.4	Exponential Smoothing Methods 628
16.5	Autoregressive Integrated Moving Average (ARIMA) Models 635
16.6	Chapter Summary 640
16.7	Problems 642
17	Estimating the Standard Error: Analytic Approximations, the Jackknife, and the Bootstrap 645
17.1	Introduction 645
17.2	Analytic Approximations to the Standard Error of an Estimator 646
17.3	The Jackknife 656
17.4	The Bootstrap 662
17.4.1	Bootstrap Confidence Intervals Based on Percentiles 667
17.5	Parametric Bootstrap 670
17.6	Bootstrapping in R 674
17.7	Chapter Summary 681
17.8	Problems 682
18	Generalized Linear Models and Regression Trees 684
18.1	Logistic Regression 684
18.2	Multinomial Logistic Regression 698
18.3	Poisson Regression 703
18.4	Generalized Linear Models 706
18.5	Regression Trees 707
18.6	Discrimination and Classification 714

18.6.1	$K = 2$ Groups and $p = 1$ Variable	718	19.5	Cross-Validation with Classification Data	765
18.6.2	K Groups and $p = 1$ Variable	724	19.6	Chapter Summary	767
18.6.3	K Groups and p Variables	725	19.7	Problems	769
18.6.4	Quadratic Discriminant Analysis	737	20	Large-Scale Hypothesis Testing	773
18.6.5	Dealing with Estimated Parameters	739	20.1	Review of Hypothesis Testing	773
18.6.6	Choosing Between Linear and Quadratic Discriminant Analysis	739	20.2	Testing Multiple Hypotheses	775
18.7	Logistic Regression for Classification	740	20.3	The FWER and the Bonferroni Correction	780
18.8	Chapter Summary	745	20.4	Holm's Method	783
18.9	Problems	746	20.5	The False Discovery Rate	785
19	Cross-Validation and Estimates of Prediction Error	751	20.6	Simultaneous Confidence Intervals	789
19.1	Overfitting and Underfitting	751	20.7	Tukey's Method	791
19.2	Cross-Validation	754	20.8	Scheffé's Method	794
19.2.1	Splitting the Data at Random	755	20.9	Chapter Summary	801
19.3	Leave-One-Out Cross-Validation	760	20.10	Problems	802
19.4	k -Fold Cross-Validation	762	References	805	
			Index	809	