Problem Set 4

Problem 1: Expecation and CDF

a) Let X be a *continuous* and *non-negative* random variable defined on a probability space $(\Omega, \mathcal{F}, \mathbb{P})$. Show that

$$\mathbb{E}(X) = \int_0^{+\infty} (1 - F_X(t))\, dt.$$

Extend this formula to further to any continuous random variable X. That is, show that

$$\mathbb{E}(X) = \int_0^{+\infty} (1 - F_X(t))\, dt - \int_{-\infty}^{0} F_X(t)\, dt.$$

b) Use this formula to compute $\mathbb{E}(X)$ for $X \sim \text{Laplace}(0, \lambda^{-1})$ for $\lambda > 0$.

c) Let X be a *discrete* and *non-negative* random variable taking values in $\mathbb{N}$ only. Show that

$$\mathbb{E}(X) = \sum_{k \geq 0} (1 - F_X(k)).$$

and use this new formula to compute $\mathbb{E}(X)$ when $X \sim \text{Geom}(p)$ for some $0 < p < 1$.

Problem 2: Expectation and exponential random variable

Let $\lambda > 0$ and $X \sim \mathcal{E}(\lambda)$, and let us define $Y = X^a$, where $a \in \mathbb{R}$.

a) For what values of $a \in \mathbb{R}$ does it hold that $\mathbb{E}(Y) < +\infty$?

b) For what values of $a \in \mathbb{R}$ does it hold that $\mathbb{E}(Y^2) < +\infty$?

c) For what values of $a \in \mathbb{R}$ is $\text{Var}(Y)$:

c1) well-defined and finite? c2) well-defined but infinite? c3) ill-defined?

d) Compute $\mathbb{E}(Y)$ and $\text{Var}(Y)$ for the values of $a \in \mathbb{Z}$ such that these quantities are well-defined.

Hint: Use integration by parts, recursively.

Problem 3: Covariance

Let X be a random variable that is symmetrically distributed (i.e. $X \sim -X$) and square-integrable with $\text{Var}(X) = 1$. Let also $Y = 1_{\{X \geq 0\}}$.

a) Show that for any distribution of the random variable X, $\text{Cov}(X, Y) \geq 0$.

b) Using the inequality $\mathrm{Cov}(X,Y) \leq \sqrt{\mathrm{Var}(X)}\,\sqrt{\mathrm{Var}(Y)}$ (whose proof is to come in the sequel of the course), find the least value $C > 0$ such that $\mathrm{Cov}(X,Y) \leq C$ for every distribution of X.

c) Compute $\mathrm{Cov}(X,Y)$ for $X \sim \mathcal{N}(0,1)$.

d) Is it possible to find a distribution for X such that $\mathrm{Cov}(X,Y) = C$? If not, is it possible to find a sequence of random variables $(X_n,\, n \geq 1)$ with varying distributions (all respecting the above constraints) and $Y_n = 1_{\{X_n \geq 0\}}$, such that $\mathrm{Cov}(X_n, Y_n) \underset{n\to\infty}{\to} C$?

e) Is it possible to find a distribution for X such that $\mathrm{Cov}(X,Y) = 0$? If not, is it possible to find a sequence of random variables $(X_n,\, n \geq 1)$ with varying distributions (all respecting the above constraints) and $Y_n = 1_{\{X_n \geq 0\}}$, such that $\mathrm{Cov}(X_n, Y_n) \underset{n\to\infty}{\to} 0$?