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Inference with Inducer Pivot Variables, an Application to the One-Way ANOVA
Inducing Pivot Variables and Non-centrality Parameters in Elliptical Distributions

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Abstract. We used inducing pivot variables to derive confidence intervals for the non-centrality parameters of samples with elliptical errors. A numerical application is presented.

Keywords: Pivot variables, inference, variance components


INTRODUCTION

Inducing pivot variables are functions of statistics and parameters with known distributions which induce probability measures. As it may be seen in [2], these variables may be used to carry out inference, to derive confidence intervals for the non centrality parameters of samples with elliptical errors.

The remainder of this article is arranged as follows. In the next section we present results on spherical and elliptical distributions. Next we introduce the concept of inducing pivot variable and show how to construct confidence intervals and test hypothesis for non-centrality parameters of samples with elliptical errors. Finally we present a numerical application.

SPHERICAL AND ELLIPTICAL DISTRIBUTIONS

Let \( \mathbf{X} \) be a \( k \times 1 \) random vector and its support be the set of \( k \)-dimensional real vectors

\[
R(\mathbf{X}) = \mathbb{R}^k.
\]

Consider \( \mathbf{\mu} \) a \( k \times 1 \) vector and \( \mathbf{V} \) a \( k \times k \) symmetric and positive definite matrix, that is,

\[
\mathbf{V} = \mathbf{V}'
\]

where \( \mathbf{V}' \) denotes the transpose of matrix \( \mathbf{V} \), and \( \mathbf{S} \mathbf{V} \mathbf{S}' \) is positive for any non-zero column vector \( \mathbf{S} \) of \( k \) real numbers. Vector \( \mathbf{X} \) has a multivariate normal distribution with mean vector \( \mathbf{\mu} \) and covariance matrix \( \mathbf{V} \) if its joint density function is

\[
f(\mathbf{X}) = (2\pi)^{-\frac{k}{2}} |\det(\mathbf{V})|^{-\frac{1}{2}} \exp \left( -\frac{1}{2} (\mathbf{X} - \mathbf{\mu})' \mathbf{V}^{-1} (\mathbf{X} - \mathbf{\mu}) \right).
\]

We indicate that \( \mathbf{X} \) has a multivariate normal distribution with mean vector \( \mathbf{\mu} \) and covariance matrix \( \mathbf{V} \) by

\[
\mathbf{X} \sim N(\mathbf{\mu}, \mathbf{V}).
\]

The \( k \) random variables \( X_1, \ldots, X_k \) constituting the vector \( \mathbf{X} \) are said to be jointly normal.

The class of spherical distributions is an extension of the class of multivariate normal distributions. Vector \( \mathbf{X} \) is said to have a spherical distribution if \( \mathbf{X} \) and \( \mathbf{Q} \mathbf{X} \) have the same distribution for all orthogonal \( k \times k \) matrices \( \mathbf{Q} \), see [4]. If \( \mathbf{X} \) is a continuous random vector with a spherical distribution, then due to the equality

\[
\mathbf{Q}' \mathbf{Q} = \mathbf{I},
\]
Consider the random vector \( \sigma \). For example, if \( \sigma \) is distributed as a central chi-square with \( \gamma \) degrees of freedom, \( \gamma \) is an inducing pivot variable if, for any realization \( \gamma \) of \( \sigma \), \( \gamma \) has a spherical distribution and \( A \) is a \( k \times p \) matrix, with 

\[
AA' = V
\] (7)

and \( \text{rank}(V) = p \).

The multivariate normal distribution belongs to the class of elliptical distributions since, if \( X \sim N(\mu, V) \), the vector \( X \) can be represented as \( X = \mu + AY \), where \( Y \) has a spherical distribution and \( A \) is a \( k \times p \) matrix, with 

\[
AA' = V
\]

INDUCING PIVOT VARIABLES

As already stated in the introduction, pivot variables are functions of statistics and parameters with known distributions. For example, if \( S \) is distributed as the product by \( \gamma \) of a central chi-square with \( g \) degrees of freedom, \( S \sim \gamma \chi^2_g \), then 

\[
Z = \frac{S}{\gamma}
\] (8)

is distributed as a central chi-square with \( g \) degrees of freedom, being therefore a pivot variable. Now, let \( P \) be the \( \sigma \)-algebra of the borelian sets in \( \mathbb{R}^k \), see [7], and the parameter space \( \Theta \in P \). According to [3] the pivot variable 

\[
Z = g(Y, \theta)
\] (9)

is an inducing pivot variable if, for any realization \( y \) of \( Y \) the function 

\[
l(\theta|y) = g(y, \theta)
\] (10)

has an inverse measurable function \( h(z|y) \) in \( P \).

In the next section we will use inducing pivot variables to derive confidence intervals and test hypothesis for non-centrality parameters when we are dealing with elliptical distributions.

INFERENCES FOR NON-CENTRALITY PARAMETERS

Consider the random vector 

\[
X \sim N(\mu, \theta I)
\] (11)

independent of \( S \), which is distributed as the product by \( \theta \) of a central chi-square with \( g \) degrees of freedom, 

\[
S \sim \theta \chi^2_g.
\] (12)

If we consider 

\[
W = \frac{||X||^2 - ||\mu||^2}{2||\mu||},
\] (13)

with \( ||\mu|| \rightarrow \infty \), then \( W \) will be approximately normally distributed, with mean 0 and variance \( \theta \), \( W \sim N(0, \theta) \), and independent of \( S \), see [5] and [6]. Therefore \( F = \frac{W^2}{S^2} \) will have \( F \) distribution with 1 and \( g \) degrees of freedom and non-centrality parameter \( \delta \), \( F \sim F(1, g, \delta) \), where 

\[
\delta = \frac{||\mu||^2}{\theta}.
\] (14)
Moreover, if
\[ T = \frac{W}{\sqrt{S}} \]  
(15)

\( T \) will have \( t \)-distribution, with \( g \) degrees of freedom, \( T \sim t_g \).

Now, if \( x, s, t \) and \( w \) are realizations of \( X, S, T \) and \( W \) respectively, from (13) and (15) we will have
\[ \frac{||x||^2 - ||\mu||^2}{2||\mu||\sqrt{S}} = \frac{t}{\sqrt{S}}, \]  
(16)

which is equivalent to having

\[ ||\mu||^2 + \frac{2t\sqrt{S}}{S}||\mu|| - ||x||^2 = 0. \]  
(17)

Solving (17) in order to \( ||\mu|| \), we get
\[ ||\mu||^2 = \left( -w + \sqrt{w^2 + ||x||^2} \right)^2, \]  
(18)

so
\[ \frac{||\mu||^2}{\theta} = \frac{\left( -w + \sqrt{w^2 + ||x||^2} \right)^2}{\frac{2}{Z}}. \]  
(19)

If we consider the pivot variable \( Z = \frac{s}{w} \sim \chi^2_g \) and \( W \sim N(0, \theta) \), we may induce probability measures for
\[ \delta = \frac{||\mu||^2}{\theta} = \frac{\left( -w + \sqrt{w^2 + ||x||^2} \right)^2}{\frac{2}{Z}}, \]  
(20)

using large samples \( D = \{D_1,\ldots,D_n\} \), with
\[ D_u = \left( -W_u + \sqrt{W_u^2 + ||x||^2} \right)^2, \quad u = 1,\ldots,n, \]  
(21)

where \( Z_u \sim \chi^2_g, W_u \sim N(0, \theta_u) \) and \( \theta_u = \frac{2}{Z_u} \), \( u = 1,\ldots,n \).

Let \( F(x) \) be the distribution of \( D, x_p \) the quantile for probability \( p \), \( F_n \) be the empirical distribution of \( D \) and \( x_{n,p} \) the \( F_n \) quantile for probability \( p \). Now, using the reverse Glivenko-Cantelli theorem, see [2], we may estimate the quantiles \( x_p \) of \( F \) from the quantiles \( x_{n,p} \) of \( F_n \). Therefore, we may construct confidence intervals \( [x_{n,\frac{g}{2}}, x_{n,1-\frac{2}{g}}]; [0; x_{n,1-\alpha}] \) and \( [x_{n,\alpha}; +\infty] \) for \( \delta \), with (estimated) confidence level \( 1 - \alpha \). These confidence intervals allow us to test hypothesis
\[ H_0 : \delta = \delta_0 \]  
(22)

against
\[ H_{1,j} : \delta \neq \delta_0; \quad \delta > \delta_0 \quad \text{and} \quad \delta < \delta_0. \]  
(23)

We reject the test hypothesis if \( \delta_0 \) is not contained in the corresponding confidence interval. Thus, by duality, we obtain tests with (approximate) confidence level \( \alpha \).

**NUMERICAL APPLICATION**

In order to obtain confidence intervals for \( \delta \), defined in (14), when the random vector \( X \), in (11), and the sum of squares for the error, \( S \), in (12), are known, we used the \( R \) software to generate \( Z_u \sim \chi^2_g \) and \( X_u \), with components \( X_{u,1},\ldots,X_{u,10} \), considering
\[ X_{u,1},\ldots,X_{u,9} \sim N(0, \theta_u) \quad \text{and} \quad X_{u,10} \sim N(\sqrt{\theta_u}, \theta_u), \]
where \( \theta_u = \frac{2}{Z_u} \) and \( u = 1,\ldots,10000 \). Note that we considered \( \delta = 1 \) since \( ||\mu||^2 = \theta \).
Next we generated $W_u \sim N(0, \theta_u)$, $u = 1, \ldots, 10000$, and obtained the sample $D = \{D_1, \ldots, D_{10000}\}$, with
\[
D_u = \frac{(-W_u + \sqrt{W_u^2 + \|x\|^2})^2}{Z}, \quad u = 1, \ldots, 10000.
\]

The obtained values for $x_{0.025}$ and $x_{0.975}$ are presented in Table 1 and Table 2, respectively. These tables also show the considered values for $S$ and for $g$.

### TABLE 1. Obtained values for $x_{0.025}$.

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<th>0.5</th>
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<th>4</th>
<th>8</th>
<th>16</th>
<th>32</th>
<th>64</th>
<th>128</th>
<th>256</th>
<th>512</th>
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<tr>
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<td>0.8362</td>
<td>0.8398</td>
<td>0.8387</td>
<td>0.8539</td>
<td>0.8418</td>
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<td>0.8387</td>
<td>0.8427</td>
</tr>
<tr>
<td>4</td>
<td>0.8414</td>
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<td>0.8385</td>
<td>0.8308</td>
<td>0.8312</td>
<td>0.8310</td>
<td>0.8444</td>
<td>0.8303</td>
<td>0.8367</td>
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<td>0.8387</td>
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<tr>
<td>8</td>
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<tr>
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<td>0.8353</td>
<td>0.8457</td>
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<tr>
<td>32</td>
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<td>0.8310</td>
<td>0.8399</td>
<td>0.8280</td>
<td>0.8411</td>
<td>0.8232</td>
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<tr>
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<td>0.8341</td>
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<td>0.8279</td>
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</tr>
</tbody>
</table>

### TABLE 2. Obtained values for $x_{0.975}$.

<table>
<thead>
<tr>
<th>$g$</th>
<th>0.5</th>
<th>1</th>
<th>2</th>
<th>4</th>
<th>8</th>
<th>16</th>
<th>32</th>
<th>64</th>
<th>128</th>
<th>256</th>
<th>512</th>
<th>1024</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.1923</td>
<td>1.1796</td>
<td>1.1856</td>
<td>1.1927</td>
<td>1.1933</td>
<td>1.1848</td>
<td>1.1872</td>
<td>1.1903</td>
<td>1.1892</td>
<td>1.1971</td>
<td>1.1927</td>
<td>1.1812</td>
</tr>
<tr>
<td>2</td>
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<td>1.1845</td>
<td>1.1841</td>
<td>1.1826</td>
<td>1.1970</td>
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<td>1.1854</td>
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<td>1.1832</td>
<td>1.1758</td>
</tr>
<tr>
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<td>1.1796</td>
<td>1.1862</td>
<td>1.1863</td>
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<td>1.1814</td>
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<td>1.1896</td>
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</tr>
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</table>

These tables point to the stability of the quantiles we chosen. So, the presented method of constructing confidence intervals, for non-centrality parameters, is useful and apply when we have elliptical density for the error.

### ACKNOWLEDGMENTS

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