

1. a $A=2, 10$ or 25 3 values
 $I=0$ or 1 (for uninfected or infected) 2 values

b $Pr(A=2)=0.4, Pr(A=10)=0.4, Pr(A=25)=0.2$
 $Pr(I=1|A=2)=0.5, Pr(I=1|A=10)=0.4, Pr(I=1|A=25)=0.2$

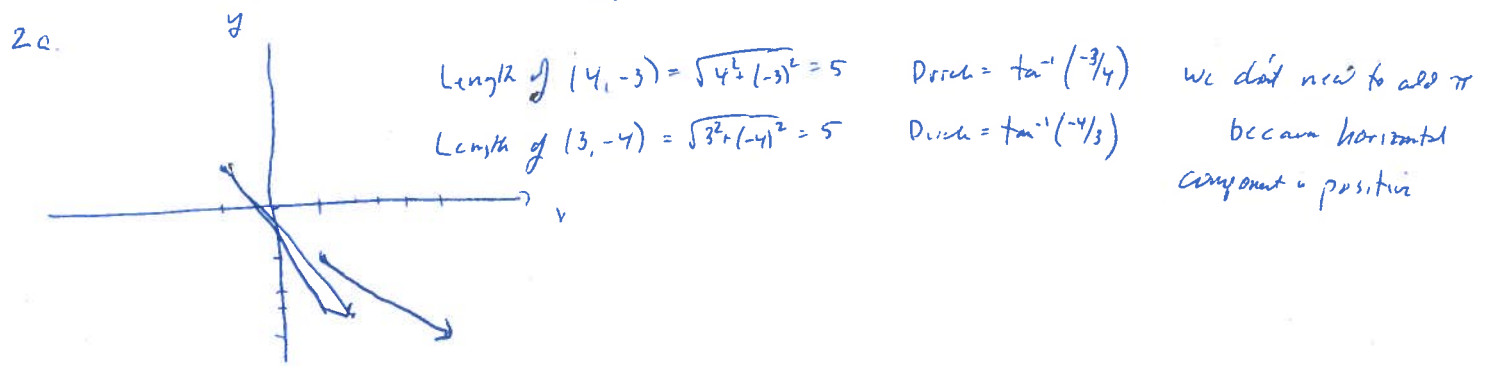
c. The first part of b is a marginal, the second a conditional

d. $Pr(I=1 \text{ and } A=2) = Pr(I=1|A=2)Pr(A=2) = (0.5)(0.4) = 0.2$
 $Pr(I=1 \text{ and } A=10) = Pr(I=1|A=10)Pr(A=10) = (0.4)(0.4) = 0.16$
 $Pr(I=1 \text{ and } A=25) = Pr(I=1|A=25)Pr(A=25) = (0.2)(0.2) = 0.04$

	Age			
	2	10	25	
Infected	0	0.2	0.24	0.86 → 0.6
	1	0.2	0.16	0.04 → 0.4
	↓	↓	↓	
	0.4	0.4	0.2	

e. Find marginal R I: $Pr(I=1) = 0.4$

f. $Cov(A, I) = E(AI) - E(A)E(I)$
 $E(A) = 2 \cdot 0.4 + 10 \cdot 0.4 + 25 \cdot 0.2 = 9.8$
 $E(I) = 0.4$
 $= (2 \cdot 1 \cdot 0.2 + 10 \cdot 1 \cdot 0.16 + 25 \cdot 1 \cdot 0.04) - (9.8)(0.4)$
 $= (0.4) + (1.6) + 1 - (9.8)(0.4) = 3 - (9.8)(0.4) < 0$
 Older people less likely to be infected



b. End of first vector is $(1, -1) + (4, -3) = (5, -4)$ Length: $r = \sqrt{5^2 + (-4)^2} = \sqrt{41}$, $\theta = \tan^{-1}(-4/5)$
 End of second vector is $(-1, 1) + (3, -4) = (2, -3)$ Length: $r = \sqrt{2^2 + (-3)^2} = \sqrt{13}$, $\theta = \tan^{-1}(-3/2)$

3. a Brutus would become 20% more confident on his own, but loses confidence as Caesar becomes more confident
 Caesar would lose 5% of his confidence daily, as his confidence further sapped by Brutus

b
$$\begin{pmatrix} B_{t+1} \\ C_{t+1} \end{pmatrix} = \begin{pmatrix} 1.2 & -0.2 \\ -0.1 & 0.95 \end{pmatrix} \begin{pmatrix} B_t \\ C_t \end{pmatrix}$$
 We had to rewrite the second equation as $C_{t+1} = -0.1B_t + 0.95C_t$ to get the variables in the right order

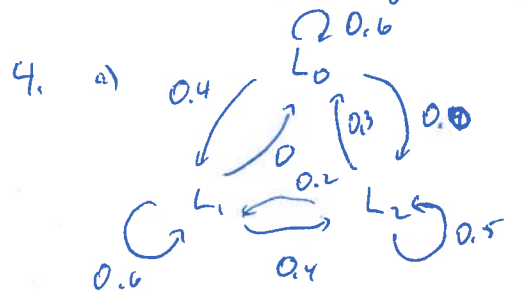
c
$$\begin{pmatrix} 1.2 & -0.2 \\ -0.1 & 0.95 \end{pmatrix} \begin{pmatrix} 1 \\ 1 \end{pmatrix} = \begin{pmatrix} 1.2 \cdot 1 - 0.2 \cdot 1 \\ -0.1 \cdot 1 + 0.95 \cdot 1 \end{pmatrix} = \begin{pmatrix} 1 \\ 0.85 \end{pmatrix} = \begin{pmatrix} B_1 \\ C_1 \end{pmatrix}$$

$$\begin{pmatrix} 1.2 & -0.2 \\ -0.1 & 0.95 \end{pmatrix} \begin{pmatrix} 1 \\ 0.85 \end{pmatrix} = \begin{pmatrix} 1.2 \cdot 1 - 0.2 \cdot 0.85 \\ -0.1 \cdot 1 + 0.95 \cdot 0.85 \end{pmatrix} = \begin{pmatrix} 1.03 \\ 0.7075 \end{pmatrix} = \begin{pmatrix} B_2 \\ C_2 \end{pmatrix}$$

d
$$\begin{pmatrix} 1.2 & -0.2 \\ -0.1 & 0.95 \end{pmatrix} \begin{pmatrix} 1.2 & -0.2 \\ -0.1 & 0.95 \end{pmatrix} = \begin{pmatrix} 1.2 \cdot 1.2 - 0.2 \cdot (-0.1) & 1.2 \cdot (-0.2) - (-0.2) \cdot 0.95 \\ 1.2 \cdot (-0.1) + (-0.1) \cdot 0.95 & (-0.1) \cdot (-0.2) + 0.95 \cdot 0.95 \end{pmatrix}$$

$$= \begin{pmatrix} 1.46 & -0.43 \\ -0.215 & 0.9225 \end{pmatrix}$$

e. I think B_t will grow as C_t would decline.



b)
$$\begin{pmatrix} L_0(t+1) \\ L_1(t+1) \\ L_2(t+1) \end{pmatrix} = \begin{pmatrix} 0.6 & 0 & 0.3 \\ 0.4 & 0.6 & 0.2 \\ 0 & 0.4 & 0.5 \end{pmatrix} \begin{pmatrix} L_0(t) \\ L_1(t) \\ L_2(t) \end{pmatrix}$$

c) Equations: $L_0^* = 0.6L_0^* + 0.3L_2^* \Rightarrow 0.4L_0^* = 0.3L_2^* \Rightarrow L_0^* = \frac{3}{4}L_2^*$
 $L_1^* = 0.4L_0^* + 0.6L_1^* + 0.2L_2^* \Rightarrow 0.4L_1^* = 0.4L_0^* + 0.2L_2^* \Rightarrow L_1^* = L_0^* + \frac{1}{2}L_2^*$
 $L_2^* = 0.4L_1^* + 0.5L_2^* \Rightarrow 0.5L_2^* = 0.4L_1^* \Rightarrow L_2^* = \frac{4}{5}L_1^*$
 $L_0^* + L_1^* + L_2^* = 1 \Rightarrow \frac{3}{4}L_2^* + \frac{4}{5}L_2^* + L_2^* = 1 \Rightarrow L_2^* = \frac{1}{3} \Rightarrow L_0^* = \frac{1}{4}, L_1^* = \frac{5}{12}$

d. Expected value = $0 \cdot \frac{1}{4} + 1 \cdot \frac{5}{12} + 2 \cdot \frac{1}{3} = \frac{5}{12} + \frac{2}{3} = \frac{13}{12}$