Contents

Preface **vii**

1 Cars, Goats, and Sample Spaces **1**
- 1.1 Getting your goat . . . 1
- 1.2 Nutshell history and philosophy lesson . . . 2
- 1.3 Let those dice roll. Sample spaces . . . 3
- 1.4 Discrete sample spaces. Probability distributions and spaces . . . 5
- 1.5 The car-goat problem solved . . . 8
- 1.6 Exercises for Chapter 1 . . . 11

2 How to Count: Birthdays and Lotteries **13**
- 2.1 Counting your birthdays . . . 13
- 2.2 Following your dreams in Lottoland . . . 18
- 2.3 Exercises for Chapter 2 . . . 20

3 Conditional Probability: From Kings to Prisoners **21**
- 3.1 Some probability rules. Conditional Probability . . . 21
- 3.2 Does the king have a sister? . . . 23
- 3.3 The prisoner's dilemma . . . 24
- 3.4 All about urns . . . 27
- 3.5 Exercises for Chapter 3 . . . 29

4 The Formula of Thomas Bayes and Other Matters **31**
4.1 On blood tests and Bayes's formula 31
4.2 An urn problem 34
4.3 Laplace's law of succession 36
4.4 Subjective probability 37
4.5 Questions of paternity 39
4.6 Exercises for Chapter 4 40

5 The Idea of Independence, with Applications **41**
5.1 Independence of events 41
5.2 Waiting for the first head to show 44
5.3 On the likelihood of alien life 46
5.4 The monkey at the typewriter 48
5.5 Rare events do occur 50
5.6 Rare versus extraordinary events 51
5.7 Exercises for Chapter 5 52

6 A Little Bit About Games **55**
6.1 The problem of points 55
6.2 Craps 56
6.3 Roulette 57
6.4 What are the odds? 58
6.5 Exercises for Chapter 6 58

7 Random Variables, Expectations, and More About Games **61**
7.1 Random variables 61
7.2 The binomial random variable 63
7.3 The game of chuck-a-luck and de Méré's problem of dice . 64
7.4 The expectation of a random variable 65
7.5 Fair and unfair games 68
7.6 Gambling systems 71
7.7 Administering a blood test 73
7.8 Exercises for Chapter 7 75

8 Baseball Cards, The Law of Large Numbers, and Bad News for Gamblers **77**
8.1 The coupon collector's problem 77
8.2 Indicator variables and the expectation of a binomial variable 79
8.3 Independent random variables 80
8.4 The coupon collector's problem solved 80
8.5 The Law of Large Numbers 82
8.6 The Law of Large Numbers and gambling 85
8.7 A gambler's fallacy 87

8.8 The variance of a random variable 87
8.8.1 Appendix 89
8.8.2 The variance of the sum of independent random variables 90
8.8.3 The variance of S_n/n 91
8.9 Exercises for Chapter 8 92

9 From Traffic to Chocolate Chip Cookies with the Poisson Distribution 95
9.1 A traffic problem 95
9.2 The Poisson as an approximation to the binomial 99
9.3 Applications of the Poisson distribution 100
9.4 The Poisson process 101
9.5 Exercises for Chapter 9 102

10 The Desperate Case of the Gambler's Ruin 103
10.1 Let's go for a random walk 103
10.2 The gambler's ruin problem 104
10.3 Bold play or timid play? 108
10.4 Exercises for Chapter 10 109

11 Breaking Sticks, Tossing Needles, and More: Probability on Continuous Sample Spaces 111
11.1 Choosing a number at random from an interval 111
11.2 Bus stop 114
11.3 The expectation of a continuous random variable 114
11.4 Normal numbers 116
11.5 Bertrand's paradox 120
11.6 When do we have a triangle? 121
11.7 Buffon's needle problem 122
11.8 Exercises for Chapter 11 124

12 Normal Distributions, and Order from Diversity via the Central Limit Theorem 127
12.1 Making sense of some data 127
12.2 The normal distributions 130
12.3 Some pleasant properties of normal distributions 132
12.4 The Central Limit Theorem 134
12.5 How many heads did you get? 136
12.6 Why so many quantities may be approximately normal . . 137
12.7 Exercises for Chapter 12 139

13 Random Numbers: What They Are and How to Use Them 141
13.1 What are random numbers? 141

13.2 When are digits random? Statistical randomness 145
13.3 Pseudo-random numbers 147
13.4 Random sequences arising from decimal expansions 148
13.5 The use of random numbers 149
13.6 The 1970 draft lottery 153
13.7 Exercises for Chapter 13 155

14 Computers and Probability **157**
14.1 A little bit about computers 157
14.2 Frequency of zeros in a random sequence 159
14.3 Simulation of tossing a coin 159
14.4 Simulation of rolling a pair of dice 160
14.5 Simulation of the Buffon needle tosses 161
14.6 Monte Carlo estimate of π using bombardment of a circle . 161
14.7 Monte Carlo estimate for the broken stick problem 162
14.8 Monte Carlo estimate of a binomial probability 163
14.9 Monte Carlo estimate of the probability of winning at craps 164
14.10 Monte Carlo estimate of the gambler's ruin probability . . 165
14.11 Constructing approximately normal random variables . . . 166
14.12 Exercises for Chapter 14 167

15 Statistics: Applying Probability to Make Decisions **169**
15.1 What statistics does 169
15.2 Lying with statistics? 170
15.3 Deciding between two probabilities 171
15.4 More complicated decisions 173
15.5 How many fish in the lake, and other problems of estimation 176
15.6 Polls and confidence intervals 180
15.7 Random sampling 182
15.8 Some concluding remarks 184
15.9 Exercises for Chapter 15 185

16 Roaming the Number Line with a Markov Chain: Dependence **187**
16.1 A picnic in Alphaville? 187
16.2 One-dimensional random walks 190
16.3 The probability of ever returning "home" 192
16.4 About the gambler recouping her losses 195
16.5 The dying out of family names 197
16.6 The number of parties waiting for a taxi 198
16.7 Stationary distributions 199
16.8 Applications to genetics 200
16.9 Exercises for Chapter 16 201

17 The Brownian Motion, and Other Processes in Continuous Time **203**
17.1 Processes in continuous time 203
17.2 A few computations for the Poisson process 206
17.3 The Brownian motion process 206
17.4 A few computations for Brownian motion 208
17.5 Brownian motion as a limit of random walks 210
17.6 Exercises for Chapter 17 213

Answers to Exercises **215**

Bibliography **235**

Index **239**