Contents

Preface **xiii**

Notation and Acronyms **xvii**

1 Exchangeability and subjective probability **1**
1.1 Introduction 1
1.2 Families of exchangeable events 6
1.2.1 Extendibility and de Finetti's theorem 12
1.2.2 The problem of prediction 15
1.2.3 More on infinitely extendible families 18
1.3 Exchangeable random quantities 21
1.3.1 Extendibility and de Finetti's theorem for exchangeable random variables 23
1.3.2 The problem of prediction 29
1.4 de Finetti-type theorems and parametric models 32
1.4.1 Parametric models and prediction sufficiency 35
1.5 Exercises 39
1.6 Bibliography 42

2 Exchangeable lifetimes **47**
2.1 Introduction 47
2.2 Positive exchangeable random quantities 52
2.3 Multivariate conditional hazard rates 70
2.4 Further aspects of m.c.h.r. 80
2.4.1 On the use of the m.c.h.r. functions 80
2.4.2 Dynamic histories, total time on test statistic and total hazard transform 83
2.4.3 M.c.h.r. functions and dynamic sufficiency 90
2.5 Exercises 92
2.6 Bibliography 95

3 Some concepts of dependence and aging **99**
3.1 Introduction 99
3.1.1 One-dimensional stochastic orderings 101
3.1.2 Stochastic monotonicity and orderings for conditional distributions 105
3.2 Multivariate stochastic orderings 107
3.2.1 Usual multivariate stochastic ordering 107
3.2.2 Multivariate likelihood ratio ordering 109
3.2.3 Multivariate hazard rate and cumulative hazard rate orderings 110
3.2.4 Some properties of multivariate stochastic orderings and examples 111
3.3 Some notions of dependence 115
3.3.1 Positive dependence 115
3.3.2 Negative dependence 120
3.3.3 Simpson-type paradoxes and aspects of dependence in Bayesian analysis 122
3.3.4 Likelihood-ratio comparisons between posterior distributions 124
3.4 Some notions of aging 128
3.4.1 One-dimensional notions of aging 128
3.4.2 Dynamic multivariate notions of aging 134
3.4.3 The case of exchangeable lifetimes 136
3.5 Exercises 140
3.6 Bibliography 143

4 Bayesian models of aging **147**
4.1 Introduction 147
4.2 Schur survival functions 151
4.2.1 Basic background about majorization 152
4.2.2 Schur properties of survival functions and multivariate aging 156
4.2.3 Examples of Schur survival functions 160
4.2.4 Schur survival functions and dependence 163
4.3 Schur density functions 164
4.3.1 Schur-constant densities 166
4.3.2 Examples of Schur densities 169
4.3.3 Properties of Schur densities 172
4.4 Further aspects of Bayesian aging 176
4.4.1 Schur densities and TTT plots 176
4.4.2 Some other notions of Bayesian aging 179
4.4.3 Heterogeneity and multivariate negative aging 180
4.4.4 A few bibliographical remarks 183

4.4.5 Extensions to non-exchangeable cases 183
4.5 Exercises 184
4.6 Bibliography 187

5 Bayesian decisions, orderings, and majorization **191**
5.1 Introduction 191
5.1.1 Statistical decision problems 196
5.1.2 Statistical decision problems and sufficiency 203
5.1.3 Some technical aspects 204
5.2 Stochastic orderings and orderings of decisions 206
5.3 Orderings of residual lifetimes and majorization 212
5.3.1 The case of observations containing failure data 218
5.4 Burn-in problems for exchangeable lifetimes 224
5.4.1 The case of i.i.d. lifetimes 225
5.4.2 Dependence and optimal adaptive burn-in procedures . . 228
5.4.3 Burn-in, optimal stopping, monotonicity, and Markovianity 231
5.4.4 Stochastic orderings and open-loop optimal adaptive burn-in procedures 233
5.5 Exercises 240
5.6 Bibliography 241

Essential bibliography **245**

Index **247**