SA402 - Dynamic and Stochastic Models

Fall 2022 - Uhan

Quiz 6 - 10/26/2022

Instructions. You have 15 minutes to complete this quiz. You may use your plebe-issue calculator. You may <u>not</u> use any other materials (e.g., notes, homework, website).

<u>Show all your work.</u> To receive full credit, your solutions must be completely correct, sufficiently justified, and easy to follow.

| Problem 1 | Weight 1 | Score |
|-----------|-------------|-------|
| 2 | 1 | |
| 3 | 1 | |
| 4 | 1 | |
| Total | | / 40 |

For this quiz, consider the following setting.

You are a consultant for a political pollster in Simplexville. Each year, the citizens of Simplexville vote for one of three parties: (1) the Primal Party, (2) the Dual Party, or (3) the Infeasible Party.

Based on historical data, you have determined that voting behavior in Simplexville can be modeled as a Markov chain with states $\mathcal{M} = \{1, 2, 3\}$ (1 = Primal, 2 = Dual, 3 = Infeasible), and with each time step corresponding to one year. The one-step transition matrix is

$$\mathbf{P} = \begin{bmatrix} 0.70 & 0.20 & 0.10 \\ 0.10 & 0.80 & 0.10 \\ 0.30 & 0.30 & 0.40 \end{bmatrix}$$

For example, of those that voted for the Dual Party in this year's election, 10% will vote Primal next year, 80% will vote Dual, and 10% will vote Infeasible.

Suppose in this year's election, 45% voted Primal, 50% voted Dual, and 5% voted Infeasible.

Problem 1. Note that the diagonal entries of **P** are larger than the off-diagonal entries. What does that mean in this setting?

Problem 2. Suppose this year corresponds to time step n = 0. What is the probability that a citizen votes for the Primal Party 4 years from now (n = 4), given that the citizen voted for the Primal Party this year?

Here is the one-step transition matrix from the previous page, for your convenience:

$$\mathbf{P} = \begin{bmatrix} 0.70 & 0.20 & 0.10 \\ 0.10 & 0.80 & 0.10 \\ 0.30 & 0.30 & 0.40 \end{bmatrix}$$

Problem 3. Again, suppose this year corresponds to time step n = 0. What is the probability that a randomly selected citizen votes for the Dual Party 4 years from now (n = 4)?

Problem 4. What is the probability that a citizen votes for the Dual Party this year, votes either Dual or Infeasible for the next 3 years, and then votes for the Primal Party 4 years from now?