Contents

Preface to the Third Edition	vi
Preface to <i>Probability</i> (1970)	х
Preface to the Russian Edition of Probability (1982)	xii
CHAPTER 1	
Uncertainty, Intuition and Expectation	1
1. Ideas and Examples	1
2. The Empirical Basis	2
3. Averages over a Finite Population	
4. Repeated Sampling: Expectation	8
5. More on Sample Spaces and Variables	10
6. Ideal and Actual Experiments: Observables	11
CHAPTER 2	
Expectation	13
1. Random Variables	13
2. Axioms for the Expectation Operator	14
3. Events: Probability	10
4. Some Examples of an Expectation	1'
5. Moments	2:
6. Applications: Optimization Problems	22
7. Equiprobable Outcomes: Sample Surveys	24
8. Applications: Least Square Estimation of Random Variables	28
9. Some Implications of the Axioms	32
CHAPTER 3	
Probability	38
1. Events, Sets and Indicators	3
2. Probability Measure	4:

xvi	Contents
-----	----------

3. Expectation as a Probability Integral	44
4. Some History	45
5. Subjective Probability	47
CHAPTER 4	
Some Basic Models	49
1. A Model of Spatial Distribution	49
2. The Multinomial, Binomial, Poisson and Geometric Distributions	52
3. Independence	56
4. Probability Generating Functions	59
5. The St. Petersburg Paradox	63
6. Matching, and Other Combinatorial Problems	66
7. Conditioning	68
8. Variables on the Continuum: the Exponential and Gamma Distributions	
Gamma Distributions	73
CHAPTER 5	
Conditioning	77
1. Conditional Expectation	77
2. Conditional Probability	81
3. A Conditional Expectation as a Random Variable	85
4. Conditioning on a σ-Field	89
5. Independence	89
6. Statistical Decision Theory	92
7. Information Transmission	94
8. Acceptance Sampling	97
CHAPTER 6	
Applications of the Independence Concept	100
1. Renewal Processes	100
2. Recurrent Events: Regeneration Points	105
3. A Result in Statistical Mechanics: the Gibbs Distribution	109
4. Branching Processes	113
CHAPTER 7	
The Two Basic Limit Theorems	110
1. Convergence in Distribution (Weak Convergence)	119
2. Properties of the Characteristic Function	119
3. The Law of Large Numbers	122 126
4. Normal Convergence (the Central Limit Theorem)	120
5. The Normal Distribution	129
CHAPTER 8	
Continuous Random Variables and Their Transformations	407
1. Distributions with a Density	136
2. Functions of Random Variables	136
3. Conditional Densities	139
	142

Contents	xvii
CHAPTER 9	
Markov Processes in Discrete Time	145
1. Stochastic Processes and the Markov Property	145
2. The Case of a Discrete State Space: the Kolmogorov Equations	151
3. Some Examples: Ruin, Survival and Runs	156
4. Birth and Death Processes: Detailed Balance	159
5. Some Examples We Should Like to Defer	161
6. Random Walks, Random Stopping and Ruin	162
7. Auguries of Martingales	168
8. Recurrence and Equilibrium	169
9. Recurrence and Dimension	173
CHAPTER 10	175
Markov Processes in Continuous Time	175
1. The Markov Property in Continuous Time	176
2. The Case of a Discrete State Space	179
3. The Poisson Process	180
4. Birth and Death Processes	183
5. Processes on Nondiscrete State Spaces	186
6. The Filing Problem	187
7. Some Continuous-Time Martingales	189
8. Stationarity and Reversibility	192
9. The Ehrenfest Model	194
10. Processes of Independent Increments	198
11. Brownian Motion: Diffusion Processes	202
12. First Passage and Recurrence for Brownian Motion	202
CHAPTER 11	
Second-Order Theory	206
	206
1. Back to L_2 2. Linear Least Square Approximation	208
3. Projection: Innovation	210
4. The Gauss-Markov Theorem	213
5. The Convergence of Linear Least Square Estimates	215
6. Direct and Mutual Mean Square Convergence	217
6. Direct and Mutual Mean Square Convergence	

9. The Enremest Model	
10. Processes of Independent Increments	194
11. Brownian Motion: Diffusion Processes	198
12. First Passage and Recurrence for Brownian Motion	202
CHAPTER 11	***
Second-Order Theory	206
1. Back to L_2	206
2. Linear Least Square Approximation	208
3. Projection: Innovation	210
4. The Gauss-Markov Theorem	213
5. The Convergence of Linear Least Square Estimates	215
6. Direct and Mutual Mean Square Convergence	217
7. Conditional Expectations as Least Square Estimates:	
Martingale Convergence	218
CHAPTER 12	221
Consistency and Extension: the Finite-Dimensional Case	221
1. The Issues	221
2. Convex Sets	222
3. The Consistency Condition for Expectation Values	227
4. The Extension of Expectation Values	228
II THE MINE OF THE PARTY OF THE	220

5. Examples of Extension6. Dependence Information: Chernoff Bounds

xviii	Contents
-------	----------

CHAPTER 13	
Stochastic Convergence	235
1. The Characterization of Convergence	235
2. Types of Convergence	237
3. Some Consequences	239
4. Convergence in rth Mean	240
CHAPTER 14	
Martingales	243
1. The Martingale Property	243
2. Kolmogorov's Inequality: the Law of Large Numbers	243
3. Martingale Convergence: Applications	250
4. The Optional Stopping Theorem	253
5. Examples of Stopped Martingales	255
CHAPTER 15	
Extension: Examples of the Infinite-Dimensional Case	258
1. Generalities on the Infinite-Dimensional Case	258
2. Fields and σ -Fields of Events	259
3. Extension on a Linear Lattice	260
4. Integrable Functions of a Scalar Random Variable	263
5. Expectations Derivable from the Characteristic Function:	203
Weak Convergence	265
CHAPTER 16	
Some Interesting Processes	270
1. Information Theory: Block Coding	270
2. Information Theory: More on the Shannon Measure	273
3. Information Theory: Sequential Interrogation and Questionnaires	275
4. Dynamic Optimization	277
5. Quantum Mechanics: the Static Case	283
6. Quantum Mechanics: the Dynamic Case	289
References	293
Index	295