1. The null hypothesis is \( H_0 : C\beta = (0,1,-1,0) \left[ \begin{array}{c} \mu \\ \alpha_1 \\ \alpha_2 \\ \beta \end{array} \right] = 0 \). We want power=0.9 of rejecting this null hypothesis when \( H_a : C\beta = 0.5\sigma \). The power of the test is:
\[
power = Pr(F_{1,10n-3}(\delta^2) > F_{1,10n-3,\alpha})
\]
where \( \delta^2 = \frac{1}{n}0.5\sigma[C(X^TX)^{-1}C]^\top 0.5\sigma \). In this case,
\[
X^TX = \begin{bmatrix}
10n & 5n & 5n & 500n \\
5n & 5n & 0 & 250n \\
500n & 250n & 250n & 500n
\end{bmatrix}
\]
\[C(X^TX)^{-1}C = 0.4/n \text{ and } \delta^2 = 0.5 \times (1/0.4) \times 0.5 = 5n/8.\]
Choose \( n \) such that
\[0.90 = power = Pr(F_{1,10n-3}(5n/8) > F_{1,10n-3,\alpha})\]

The solution is \( n = 18 \). S-Plus code for computing this sample size is shown below. This code is dangerous in that it may take a long time to execute if the required sample size is very large.

```r
> n<-1
> powerfun<-function(n){
  1-pf(qf(.95,1,10*n-3),1,10*n-3,5*n/8) }
> while (powerfun(n)<.90){
  n<-n+1
  powerfun(n)
}
> n
[1] 18
```

Additional S-Plus code is in the file posted as power.ssc. This code requires you to specify an upper bound for your search for the required sample size. It also does not need an explicit formula for the non-centrality parameter. It adds rows to the model matrix as the sample size is increases to compute the value of the noncentrality parameter.

2. (a) \( Y \sim N(X\beta, \sigma^2I) \) where \( X \) is the model matrix, or, \( Y_{ij} \sim N(\mu + \alpha_i, \sigma^2) \), for \( i = 1, \ldots, 6 \) and \( j+1,2 \), and each \( Y_{ij} \) is independent of the others.

(i) This hypothesis is equivalent to \( H_0 : \alpha_1 - \alpha_2 = 0 \) and \( \alpha_2 - \alpha_3 = 0 \); or
\[
H_0 : C\beta = \begin{bmatrix}
0 & 1 & -1 & 0 & 0 & 0 \\
0 & 0 & 1 & -1 & 0 & 0 \\
0 & 0 & 0 & 0 & 0 & 0
\end{bmatrix} \beta = \begin{bmatrix}
0 \\
0 \\
0
\end{bmatrix}
\]
Since both \( \alpha_1 - \alpha_2 \) and \( \alpha_2 - \alpha_3 \) are estimable and \( \text{rank}(C) = 2 \) = the number of rows of \( C \), this hypothesis is testable.

(ii) This hypothesis is equivalent to \( H_0 : \alpha_1 = 0, \alpha_2 = 0 \) and \( \alpha_3 = 0 \), but neither \( \alpha_1 \) nor \( \alpha_2 \) nor \( \alpha_3 \) is estimable. To show that \( \alpha_1 \) is not estimable, let \( d = [1,-1,1,1,1,1]^T \) and \( \zeta = [0,1,0,0,0,0] \). Then, \( \zeta^T d = 0 \), but \( \zeta^T d \neq 0 \). Thus, \( \alpha_1 \) is not estimable and this hypothesis is not testable.

(iii) This hypothesis is equivalent to
\[
H_0 : C\beta = \begin{bmatrix}
1 & 1 & 0 & 0 & 0 & 0 \\
1 & 0 & 0 & 1 & 0 & 0
\end{bmatrix} \beta = \begin{bmatrix}
0 \\
0
\end{bmatrix}
\]
Since \( \mu + \alpha_1 \) and \( \mu + \alpha_4 \) are both estimable and \( \text{rank}(C)=2 \), this hypothesis is testable.
iv. This hypothesis is equivalent to $H_0 : \alpha_1 - \alpha_2 - \alpha_4 + \alpha_5 = 0$ and $\alpha_1 - \alpha_3 - \alpha_4 + \alpha_6 = 0$. Note that $\alpha_1 - \alpha_2 - \alpha_4 + \alpha_5$ is estimable because $E(\mathbf{a}'Y) = \alpha_1 - \alpha_2 - \alpha_4 + \alpha_5$ for $\mathbf{a} = [0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0, 0]$. Similarly, $\alpha_1 - \alpha_3 - \alpha_4 + \alpha_6$ can also be shown to be estimable. Also note that rank($C$) = 2 $= \text{the number of rows of } C$. Thus, this hypothesis is testable. You should recognize the rows of this $C$ matrix as coefficients for interaction contrasts.

v. This hypothesis is equivalent to $H_0 : \alpha_1 - \alpha_2 - \alpha_4 + \alpha_5 = 0$ and $\alpha_1 - \alpha_3 - \alpha_4 + \alpha_6 = 0$ and $\mu + \alpha_6 = 38$. Note that $\alpha_1 - \alpha_2 - \alpha_4 + \alpha_5$, $\alpha_1 - \alpha_3 - \alpha_4 + \alpha_6$ and $\mu + \alpha_6$ are all estimable and rank($C$) = 3 $= \text{the number of rows of } C$. Thus this hypothesis is testable.

vi. Since rank($C$) = 2 $< \text{the number of rows of } C$ (note the first row + the third row = the second row), this hypothesis is not testable.

(c) Note that the hypothesis $H_0 : C\beta = d$ is tested by the $F$ statistic given by

$$F = \frac{SS_{H_0}/df_{H_0}}{SSE/df_{\text{resid}}},$$

where

$$SS_{H_0} = (C^T_h - d)^T(C(X^TX)^{-1}C^T_h - d),$$

and $df_{H_0}$ and $df_{\text{resid}}$ are the degrees of freedom of the null hypothesis and the residuals, respectively. (Here, $df_{\text{resid}} = 6$ and $df_{H_0} = \text{number of rows of } C$). Also note that if $H_0$ is true, then $F \sim F_{df_{H_0}, df_{\text{resid}}}$. 

i. The hypothesis to be tested is

$$H_0 : (\alpha_1 + \alpha_4)/2 = (\alpha_2 + \alpha_5)/2 = (\alpha_3 + \alpha_6)/2$$

or

$$H_0 : C\beta = \begin{bmatrix} 0 & 1 & -1 & 0 & 1 & -1 & 0 \\ 0 & 1 & 0 & -1 & 1 & -0 & -1 \end{bmatrix} \beta = \begin{bmatrix} 0 \\ 0 \end{bmatrix}.$$

We have $F = 117.381$ with $df = (2, 6)$ (p-value=0.0001). The null hypothesis is rejected, i.e., after averaging over the two methods of making cheese the average moisture content, is not the same for all three types of cheese.

ii. The hypothesis to be tested is

$$H_0 : \alpha_1 = \alpha_4, \alpha_2 = \alpha_5, \alpha_3 = \alpha_6$$

or

$$H_0 : C\beta = \begin{bmatrix} 0 & 1 & 0 & 0 & -1 & 0 & 0 \\ 0 & 0 & 1 & 0 & 0 & -1 & 0 \\ 0 & 0 & 0 & 1 & 0 & 0 & -1 \end{bmatrix} \beta = \begin{bmatrix} 0 \\ 0 \end{bmatrix}.$$

We have $F = 1.259$ with $df = (3, 6)$ (p-value=0.369). The null hypothesis is not rejected, i.e., the average moisture content is not affected by the method of making cheese.
3. (a) From the S-plus code provided, we have the parameter estimates and their standard errors as below. The associated ANOVA table is also shown.

\[ \hat{Y}_i = 15.4324 + 2.8374 \times \text{time} \]
(2.8374)  (0.0231)

Analysis of Variance Table

<table>
<thead>
<tr>
<th></th>
<th>Df</th>
<th>Sum of Sq</th>
<th>Mean Sq</th>
<th>F Value</th>
<th>Pr(&gt;F)</th>
</tr>
</thead>
<tbody>
<tr>
<td>time</td>
<td>1</td>
<td>348.9206</td>
<td>348.9206</td>
<td>31.61394</td>
<td>0.00006289022</td>
</tr>
<tr>
<td>Residuals</td>
<td>14</td>
<td>154.5169</td>
<td>11.0369</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(b) Note $\mathbf{Y} \sim N(X\beta, \sigma^2 I)$ and let $A_1 = P_1, A_2 = P_X - P_1$ and $A_3 = I - P_X$. Then,

- $A_1, A_2$ and $A_3$ are all $n \times n$ symmetric matrices,
- $I = A_1 + A_2 + A_3$, and
- $\text{rank}(A_1) + \text{rank}(A_2) + \text{rank}(A_3) = 1 + (2-1) + (n-2) = n$.

Now apply Cochran's Theorem to show:

- $\frac{1}{\sigma^2} Y^T A_i Y \sim \chi^2_{r_i}$, $(\frac{1}{\sigma^2} (X\beta)^T A_i X\beta)$, where $r_i = \text{rank}(A_i)$, for each $i \in \{1, 2, 3\}$, and
- $Y^T A_1 Y, Y^T A_2 Y, Y^T A_3 Y$ are distributed independently.

Since $\text{rank}(P_X - P_1) = 1$,

$$\frac{1}{\sigma^2} Y^T (P_X - P_1) Y \sim \chi^2(\delta^2)$$

where

$$\delta^2 = \frac{1}{\sigma^2} (X\beta)^T (P_X - P_1) X\beta$$

(c) As shown in part (b), $\frac{1}{\sigma^2} Y^T (P_X - P_1) Y$ and $\frac{1}{\sigma^2} Y^T (I - P_X) Y$ are independent chi-square distributions with 1 df and $n - 2$ df, respectively. Then,

$$\frac{\frac{1}{\sigma^2} Y^T (P_X - P_1) Y / 1}{\frac{1}{\sigma^2} Y^T (I - P_X) Y / (n - 2)} = R(\beta_1 | \beta_0) / MS_{\text{resid}} \sim F_{1, 14}(\delta^2)$$

where

$$\delta^2 = \frac{1}{\sigma^2} (X\beta)^T (P_X - P_1) X\beta.$$

(d) We need to examine the non-centrality parameter $\delta^2$ carefully. Note that

$$\delta^2 = \frac{1}{\sigma^2} (X\beta)^T (P_X - P_1) X\beta$$

$$= \frac{1}{\sigma^2} [(X\beta)^T (I - P_1) X\beta - (X\beta)^T (I - P_X) X\beta]$$

$$= \frac{1}{\sigma^2} (X\beta)^T (I - P_1) X\beta \quad \text{where} \quad (X\beta)^T (I - P_X) X\beta = 0$$

$$= \frac{1}{\sigma^2} (X\beta)^T (I - P_1)(I - P_1) X\beta$$

$$= \frac{1}{\sigma^2} [(I - P_1) X\beta)^T (I - P_1) X\beta$$

$$= (I - P_1) X\beta = \beta_1 (\bar{X} - \bar{X}) | \bar{X} = \left( \begin{array}{c} x_1 \ x_2 \ \ldots \ x_n \end{array} \right)^T$$

$$= \left( \begin{array}{c} 0 \ | \ \bar{X} - \bar{X} \end{array} \right)$$

Then,

$$\delta^2 = \frac{1}{\sigma^2} \beta_1^2 (\bar{X} - \bar{X})^T (\bar{X} - \bar{X})$$

$$= \frac{1}{\sigma^2} \beta_1^2 \sum_{i=1}^{n} (X_i - \bar{X})^2$$
Since \( X_1 \neq X_2 \), for example, \( \delta^2 = 0 \) if and only if \( \beta_1 = 0 \). Therefore, the null hypothesis is \( H_0 : \beta_1 = 0 \), and the non-centrality parameter \( \delta^2 \) is zero if and only if this null hypothesis is true.

(e) We have \( F = 31.61 \) with \( df=(1, n - 2)=(1, 14) \) and p-value = 0.0001, suggesting that the coefficient \( \beta_1 \) is significantly different from zero. (This result can be easily obtained from the ANOVA table produced by S-Plus or SAS. In the following code, however, this it was computed manually.)

\[
\begin{align*}
&\text{n <- mrow(crustals)} \\
&\text{ones <- rep(1,n)} \\
&\text{X <- cbind( ones, crystals$time )} \\
&\text{Y <- crystals$length} \\
&\text{Px <- X %*%ginverse(t(X) %*% X) %*% t(X)} \\
&\text{P1 <- ones %*%ginverse(t(ones) %*% ones) %*% t(ones)} \\
&\text{In <- diag( rep(1,n) )} \\
&\text{SS.resid <- t(Y) %*% (In - Px) %*% Y} \\
&\text{MS.resid <- SS.resid / (n-2)} \\
&\text{c(SS.resid, MS.resid)} \\
&\quad [1] 154.51691 11.03692 \\
&\text{R.b1.b0 <- t(Y) %*% (Px - P1) %*% Y} \\
&\text{R.b1.b0} \\
&\quad [1,] 348.9206 \\
&\text{F.b1 <- R.b1.b0/MS.resid} \\
&\text{pvalue <- 1 - pf( q=F.b1, df1=1, df2=n-2 )} \\
&\text{round( c(F.b1, pvalue), 4)} \\
&\quad [1] 31.6139 \quad 0.0001
\end{align*}
\]

(f) The plot of the residuals against time exhibits a quadratic pattern, indicating that the proposed straight line model is inadequate.

4. We can follow the same argument as in Problem 3(b) using Cochran’s theorem but here note that now we have \( \sum Y \sim N(Z\lambda, \omega^2 I) \).

(a) 
\[
\frac{1}{\omega^2} \mathbf{Y}^T (I - P_X) \mathbf{Y} \sim \chi^2_{n-2}(\delta^2) \quad \text{with} \quad \delta^2 = \frac{1}{\omega^2} (Z\lambda)^T (I - P_X) Z\lambda
\]

(b) 
\[
\frac{1}{\omega^2} \mathbf{Y}^T (P_X - P_1) \mathbf{Y} \sim \chi^2_{1}(\delta^2) \quad \text{with} \quad \delta^2 = \frac{1}{\omega^2} (Z\lambda)^T (P_X - P_1) Z\lambda
\]

(c) No. For a ratio of chi-square distributions to have an F distribution, the denominator must have a central chi-square distribution. Here, the non-centrality parameter for \( \frac{1}{\omega^2} \mathbf{Y}^T (P_X - P_1) \mathbf{Y} \) is not zero because \( Z^T (I - P_X) Z \) is not a matrix of zeros.

5. Now we have \( \mathbf{Y} \sim N(X\beta, \sigma^2 I) \) again.

(a) 
\[
\frac{1}{\sigma^2} \mathbf{Y}^T (I - P_Z) \mathbf{Y} \sim \chi^2_{n-3}(\delta^2) \\
\delta^2 = \frac{1}{\sigma^2} (X\beta)^T (I - P_Z) X\beta
\]
(b) Yes. Here the non-centrality parameter for \( \frac{1}{\sigma^2}Y^T(I - P_Z)Y \) is zero since
\[
\delta^2 = \frac{1}{\sigma^2}(X\beta)^T(I - P_Z)X\beta \\
= \frac{1}{\sigma^2}(X\beta)^T(I - P_Z)P_XX\beta \\
= \frac{1}{\sigma^2}(X\beta)^T(P_X - P_ZP_X)X\beta \\
= \frac{1}{\sigma^2}(X\beta)^T(P_X - P_ZX)X\beta \\
= 0 \quad (P_ZP_X = P_X)
\]

6. Note that \( Y \sim N(W\gamma, \tau^2I) \).

(a) Following the same argument used in Problem 3, it is easy to show that
\[
\frac{1}{\tau^2}Y^T(I - P_W)Y \sim \chi_{n-\gamma}^2
\]
\[
\frac{1}{\tau^2}Y^T(P_W - P_Z)Y \sim \chi_{\gamma}^2 \left( \frac{1}{\tau^2}(W\gamma)^T(P_W - P_Z)W\gamma \right)
\]
and that these quadratic forms are independent random variables. Consequently, \( F = \frac{Y^T(P_W - P_Z)Y}{(n-\gamma)\tau^2} \) has a non-central F-distribution with \((4,9)\) degrees of freedom. Look at the non-centrality parameter carefully.
\[
\frac{1}{\tau^2}(W\gamma)^T(P_W - P_Z)W\gamma = \frac{1}{\tau^2}[W\gamma]^T(I - P_Z)W\gamma - (W\gamma)^T(I - P_W)W\gamma \\
= \frac{1}{\tau^2}(W\gamma)^T(I - P_Z)W\gamma \\
= \frac{1}{\tau^2}((I - P_Z)W\gamma)^T(I - P_Z)W\gamma
\]
This is zero if and only if \( (I - P_Z)W\gamma = 0 \). Note that
\[
(I - P_Z)W\gamma = (I - P_Z)[ \begin{array}{c} Z \ w_4 \ w_5 \ \cdots \ w_{10} \end{array} ]\gamma \\
= [ \begin{array}{c} 0 \ (I - P_Z)w_4 \ (I - P_Z)w_5 \ \cdots \ (I - P_Z)w_{10} \end{array} ]\gamma \\
= \alpha_1(I - P_Z)w_4 + \alpha_2(I - P_Z)w_5 + \ldots + \alpha_7(I - P_Z)w_{10} \\
= (I - P_Z)(\alpha_1w_4 + \alpha_2w_5 + \ldots + \alpha_7w_{10})
\]
where \( w_j \) is the \( j \)-th column of \( W \). Since \( w_4, \ldots, w_{10} \) span a space of dimension 6 and the columns of \( Z \) span a space of dimension 3, it follows that \( \alpha_1w_4 + \alpha_2w_5 + \ldots + \alpha_7w_{10} \) is not in the space spanned by the columns of \( Z \) for all possible values of \( \alpha_1, \alpha_2, \ldots, \alpha_7 \). Furthermore, \( \alpha_1w_4 + \alpha_2w_5 + \ldots + \alpha_7w_{10} \) is in the space spanned by the columns of \( Z \) if and only if it is equal to \( Zc \) for some vector \( c \). In that case,
\[
(I - P_Z)(\alpha_1w_4 + \alpha_2w_5 + \ldots + \alpha_7w_{10}) = (I - P_Z)Zc = 0
\]
and the noncentrality parameter is zero. However, when
\[
\alpha_1w_4 + \alpha_2w_5 + \ldots + \alpha_7w_{10} = Zc
\]
the model becomes \( Y = Z(\gamma_1 \gamma_2 \gamma_3)^T + Zc + \xi \) which is the model from problem 3. Hence, the noncentrality parameter is zero if and only if the model from problem 3 is correct.

(b) It is not appropriate to use \( \frac{Y^T(I - P_Z)Y}{(n-3)} \) here. When the null hypothesis (that the model in problem 3 is correct) is false, \( \frac{1}{\tau^2}Y^T(I - P_Z)Y \) has a chi-square distribution with 7 degrees of freedom and non-centrality parameter
\[
\delta^2 = \frac{1}{\tau^2}(W\gamma)^T(I - P_Z)W\gamma,
\]
6
which is not zero. The noncentrality parameter is zero when the null hypothesis (that the model in problem 3 is correct) is true. In that case, \( \text{rank}(W) = 3 \) and \( \sum \gamma^2 (I - P_x) \gamma \) should be divided by \( (n - 3) \) instead of \( (n - 7) \).