Applications of Negative Binomial and Geometric Distributions

Areas of application for the negative binomial and geometric distributions become obvious when one focuses on the examples in this section and the exercises devoted to these distributions at the end of Section 5.5. In the case of the geometric distribution, Example 5.16 depicts a situation where engineers or managers are attempting to determine how inefficient a telephone exchange system is during busy times. Clearly, in this case, trials occurring prior to a success represent a cost. If there is a high probability of several attempts being required prior to making a connection, then plans should be made to redesign the system.

Applications of the negative binomial distribution are similar in nature. Suppose attempts are costly in some sense and are *occurring in sequence*. A high probability of needing a "large" number of attempts to experience a fixed number of successes is not beneficial to the scientist or engineer. Consider the scenarios of Review Exercises 5.90 and 5.91. In Review Exercise 5.91, the oil driller defines a certain level of success from sequentially drilling locations for oil. If only 6 attempts have been made at the point where the second success is experienced, the profits appear to dominate substantially the investment incurred by the drilling.

5.5 Poisson Distribution and the Poisson Process

Experiments yielding numerical values of a random variable X, the number of outcomes occurring during a given time interval or in a specified region, are called **Poisson experiments**. The given time interval may be of any length, such as a minute, a day, a week, a month, or even a year. For example, a Poisson experiment can generate observations for the random variable X representing the number of telephone calls received per hour by an office, the number of days school is closed due to snow during the winter, or the number of games postponed due to rain during a baseball season. The specified region could be a line segment, an area, a volume, or perhaps a piece of material. In such instances, X might represent the number of field mice per acre, the number of bacteria in a given culture, or the number of typing errors per page. A Poisson experiment is derived from the **Poisson process** and possesses the following properties.

Properties of the Poisson Process

1. The number of outcomes occurring in one time interval or specified region of space is independent of the number that occur in any other disjoint time interval or region. In this sense we say that the Poisson process has no memory.
2. The probability that a single outcome will occur during a very short time interval or in a small region is proportional to the length of the time interval or the size of the region and does not depend on the number of outcomes occurring outside this time interval or region.
3. The probability that more than one outcome will occur in such a short time interval or fall in such a small region is negligible.

The number X of outcomes occurring during a Poisson experiment is called a **Poisson random variable**, and its probability distribution is called the **Poisson**

distribution. The mean number of outcomes is computed from $\mu = \lambda t$, where t is the specific "time," "distance," "area," or "volume" of interest. Since the probabilities depend on λ, the rate of occurrence of outcomes, we shall denote them by $p(x; \lambda t)$. The derivation of the formula for $p(x; \lambda t)$, based on the three properties of a Poisson process listed above, is beyond the scope of this book. The following formula is used for computing Poisson probabilities.

Poisson Distribution

The probability distribution of the Poisson random variable X, representing the number of outcomes occurring in a given time interval or specified region denoted by t, is

$$p(x; \lambda t) = \frac{e^{-\lambda t}(\lambda t)^x}{x!}, \quad x = 0, 1, 2, \ldots,$$

where λ is the average number of outcomes per unit time, distance, area, or volume and $e = 2.71828\ldots$.

Table A.2 contains Poisson probability sums,

$$P(r; \lambda t) = \sum_{x=0}^{r} p(x; \lambda t),$$

for selected values of λt ranging from 0.1 to 18.0. We illustrate the use of this table with the following two examples.

Example 5.17: During a laboratory experiment, the average number of radioactive particles passing through a counter in 1 millisecond is 4. What is the probability that 6 particles enter the counter in a given millisecond?

Solution: Using the Poisson distribution with $x = 6$ and $\lambda t = 4$ and referring to Table A.2, we have

$$p(6; 4) = \frac{e^{-4}4^6}{6!} = \sum_{x=0}^{6} p(x; 4) - \sum_{x=0}^{5} p(x; 4) = 0.8893 - 0.7851 = 0.1042.$$

Example 5.18: Ten is the average number of oil tankers arriving each day at a certain port. The facilities at the port can handle at most 15 tankers per day. What is the probability that on a given day tankers have to be turned away?

Solution: Let X be the number of tankers arriving each day. Then, using Table A.2, we have

$$P(X > 15) = 1 - P(X \leq 15) = 1 - \sum_{x=0}^{15} p(x; 10) = 1 - 0.9513 = 0.0487.$$

Like the binomial distribution, the Poisson distribution is used for quality control, quality assurance, and acceptance sampling. In addition, certain important continuous distributions used in reliability theory and queuing theory depend on the Poisson process. Some of these distributions are discussed and developed in Chapter 6. The following theorem concerning the Poisson random variable is given in Appendix A.25.

Theorem 5.4: Both the mean and the variance of the Poisson distribution $p(x; \lambda t)$ are λt.

Nature of the Poisson Probability Function

Like so many discrete and continuous distributions, the form of the Poisson distribution becomes more and more symmetric, even bell-shaped, as the mean grows large. Figure 5.1 illustrates this, showing plots of the probability function for $\mu = 0.1$, $\mu = 2$, and $\mu = 5$. Note the nearness to symmetry when μ becomes as large as 5. A similar condition exists for the binomial distribution, as will be illustrated later in the text.

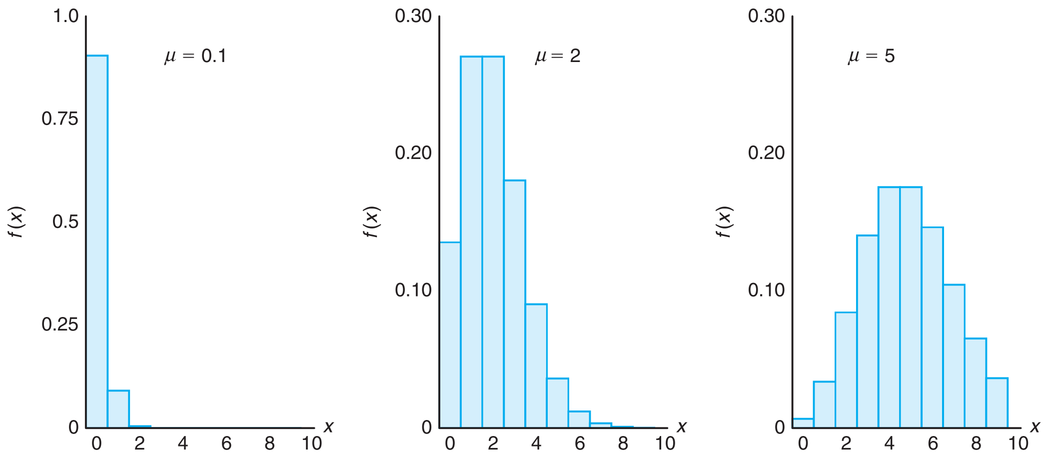

Figure 5.1: Poisson density functions for different means.

Approximation of Binomial Distribution by a Poisson Distribution

It should be evident from the three principles of the Poisson process that the Poisson distribution is related to the binomial distribution. Although the Poisson usually finds applications in space and time problems, as illustrated by Examples 5.17 and 5.18, it can be viewed as a limiting form of the binomial distribution. In the case of the binomial, if n is quite large and p is small, the conditions begin to simulate the *continuous space or time* implications of the Poisson process. The independence among Bernoulli trials in the binomial case is consistent with principle 2 of the Poisson process. Allowing the parameter p to be close to 0 relates to principle 3 of the Poisson process. Indeed, if n is large and p is close to 0, the Poisson distribution can be used, with $\mu = np$, to approximate binomial probabilities. If p is close to 1, we can still use the Poisson distribution to approximate binomial probabilities by interchanging what we have defined to be a success and a failure, thereby changing p to a value close to 0.

Theorem 5.5: Let X be a binomial random variable with probability distribution $b(x; n, p)$. When $n \to \infty$, $p \to 0$, and $np \overset{n\to\infty}{\longrightarrow} \mu$ remains constant,

$$b(x; n, p) \overset{n\to\infty}{\longrightarrow} p(x; \mu).$$

Example 5.19: In a certain industrial facility, accidents occur infrequently. It is known that the probability of an accident on any given day is 0.005 and accidents are independent of each other.

(a) What is the probability that in any given period of 400 days there will be an accident on one day?

(b) What is the probability that there are at most three days with an accident?

***Solution*:** Let X be a binomial random variable with $n = 400$ and $p = 0.005$. Thus, $np = 2$. Using the Poisson approximation,

(a) $P(X = 1) = e^{-2}2^1 = 0.271$ and

(b) $P(X \leq 3) = \sum_{x=0}^{3} e^{-2}2^x/x! = 0.857$.

Example 5.20: In a manufacturing process where glass products are made, defects or bubbles occur, occasionally rendering the piece undesirable for marketing. It is known that, on average, 1 in every 1000 of these items produced has one or more bubbles. What is the probability that a random sample of 8000 will yield fewer than 7 items possessing bubbles?

***Solution*:** This is essentially a binomial experiment with $n = 8000$ and $p = 0.001$. Since p is very close to 0 and n is quite large, we shall approximate with the Poisson distribution using

$$\mu = (8000)(0.001) = 8.$$

Hence, if X represents the number of bubbles, we have

$$P(X < 7) = \sum_{x=0}^{6} b(x; 8000, 0.001) \approx p(x; 8) = 0.3134.$$

Exercises

5.49 The probability that a person living in a certain city owns a dog is estimated to be 0.3. Find the probability that the tenth person randomly interviewed in that city is the fifth one to own a dog.

5.50 Find the probability that a person flipping a coin gets

(a) the third head on the seventh flip;

(b) the first head on the fourth flip.

5.51 Three people toss a fair coin and the odd one pays for coffee. If the coins all turn up the same, they are tossed again. Find the probability that fewer than 4 tosses are needed.

5.52 A scientist inoculates mice, one at a time, with a disease germ until he finds 2 that have contracted the disease. If the probability of contracting the disease is 1/6, what is the probability that 8 mice are required?

5.53 An inventory study determines that, on average, demands for a particular item at a warehouse are made 5 times per day. What is the probability that on a given day this item is requested

(a) more than 5 times?

(b) not at all?

5.54 According to a study published by a group of University of Massachusetts sociologists, about two-thirds of the 20 million persons in this country who take Valium are women. Assuming this figure to be a valid estimate, find the probability that on a given day the fifth prescription written by a doctor for Valium is

(a) the first prescribing Valium for a woman;