

Assume the following situation for all four problems below:

You are given an urn and told only that it either contains 10 red balls or 5 red and 5 white balls. You will be sampling from the urn without replacement.

- Suppose you draw out three balls without replacement and they are all red.
 - Let H be the hypothesis, "The urn has only red balls in it." What is your prior probability assignment $P[H|X]$?
 - Let D represent your observed data, "All three balls drawn out are red." What is $P[D|HX]$? What is $P[D|\bar{H}X]$?
 - What is your posterior probability assignment, $P[H|DX]$?
 - Suppose you draw a fourth ball, which is also red.
 - Repeat the above calculation from the beginning starting from the initial background state of knowledge (that is, with the same prior probability $P[H|X]$, etc.). What is the new posterior probability $P[H|DX]$?
 - Repeat this calculation starting from with the previously observed data as your new background state of knowledge (that is, with your previous posterior probability now as a prior probability).
 - You should get the same answers for the two calculations above. Why is this true?
 - After having drawn out four red balls, what probability would you assign to the proposition, "The fifth ball drawn out is red."?
[Hint: You can write $P[R_5|DX] = P[H|DX] * P[R_5|HDX] + P[\bar{H}|DX] * P[R_5|\bar{H}DX]$]
 - Assume on the fifth draw you get a **white** ball. You could reason deductively that you did not have the all-red urn all along. Show how you would reach the same conclusion by computing probabilities.
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