

Statistics 434: Bullet Points

A Pre-Thanksgiving Interlude

In the Wednesday afternoon before Thanksgiving, attendance typically runs under 60%, so the most practical to use of this time is to cover some special topics that one can miss without creating a gap in the core material everyone must know. Still, we will look at some material that I think is both interesting and practically useful — though future returns may vary.

- The “R” Statistical Language
 1. How to get it and use it
 2. Relationship to S and S-Plus
 3. The time series packages in R, focus on rMetrics
- Utility theory and the World Series of Poker
 1. Harrington’s metaphor — Just Four Tickets for a WSOP Champ
 2. Pay-out Tables and the decision to play in the WSOP
 3. Prospect Theory — Changes from Utility Theory
- University Endowment: Convergence of Portfolios
 1. Comparison of some University Endowments
 2. Focus on Yale — but Harvard and Stanford are not so different
 - (a) The Big Switch (Real Assets, Total Return, Private Equity)
 - (b) The Allocation over Time
- Rebalancing — according to Swensen and others
- Swensen’s Portfolio for the “Rest of Us” — Time series Test?
- Structured Produces and Weird ETFs — hunting ground for projects
- **Juggling as a Metaphor for Learning “Anything”**
 1. Juggling one ball, two ball, and three balls (real juggling)
 2. Two business (or research) juggling metaphors
 3. New: A UTube example — Human Talent is “Long Tailed”

Quote of the Day:

“There is no sense in being precise, when you don’t even know what you’re talking about.” — physicist, mathematician, economists, and proto-computer scientists John von Neumann, quoted by professional gambler Barry Greenstein in his autobiography *Ace on the River*.