

CONTENTS

Preface	xvii
Acknowledgments	xix
Acronyms	xxi
1 Introduction to Bayesian Inference	1
1.1 Introduction: Bayesian modeling in the 21st century	1
1.2 Definition of statistical models	3
1.3 Bayes theorem	3
1.4 Model-based Bayesian inference	4
1.5 Inference using conjugate prior distributions	7
1.5.1 Inference for the Poisson rate of count data	7
1.5.2 Inference for the success probability of binomial data	8
1.5.3 Inference for the mean of normal data with known variance	9
1.5.4 Inference for the mean and variance of normal data	11
1.5.5 Inference for normal regression models	12
1.5.6 Other conjugate prior distributions	14
1.5.7 Illustrative examples	14
1.6 Nonconjugate analysis	24
Problems	27
	vii

2 Markov Chain Monte Carlo Algorithms in Bayesian Inference	31
2.1 Simulation, Monte Carlo integration, and their implementation in Bayesian inference	31
2.2 Markov chain Monte Carlo methods	35
2.2.1 The algorithm	36
2.2.2 Terminology and implementation details	37
2.3 Popular MCMC algorithms	42
2.3.1 The Metropolis–Hastings algorithm	42
2.3.2 Componentwise Metropolis–Hastings	45
2.3.3 The Gibbs sampler	71
2.3.4 Metropolis within Gibbs	76
2.3.5 The slice Gibbs sampler	76
2.3.6 A simple example using the slice sampler	77
2.4 Summary and closing remarks	81
Problems	81
3 WinBUGS Software: Introduction, Setup, and Basic Analysis	83
3.1 Introduction and historical background	83
3.2 The WinBUGS environment	84
3.2.1 Downloading and installing WinBUGS	84
3.2.2 A short description of the menus	85
3.3 Preliminaries on using WinBUGS	88
3.3.1 Code structure and type of parameters/nodes	88
3.3.2 Scalar, vector, matrix, and array nodes	89
3.4 Building Bayesian models in WinBUGS	93
3.4.1 Function description	93
3.4.2 Using the <code>for</code> syntax and array, matrix, and vector calculations	97
3.4.3 Use of parentheses, brackets and curly braces in WinBUGS	98
3.4.4 Differences between WinBUGS and R/Splus syntax	98
3.4.5 Model specification in WinBUGS	99
3.4.6 Data and initial value specification	100
3.4.7 An example of a complete model specification	107
3.4.8 Data transformations	108
3.5 Compiling the model and simulating values	108
3.6 Basic output analysis using the <code>sample monitor</code> tool	117
3.7 Summarizing the procedure	120
3.8 Chapter summary and concluding comments	121
Problems	121
4 WinBUGS Software: Illustration, Results, and Further Analysis	125
4.1 A complete example of running MCMC in WinBUGS for a simple model	125

4.1.1	The model	125
4.1.2	Data and initial values	127
4.1.3	Compiling and running the model	127
4.1.4	MCMC output analysis and results	129
4.2	Further output analysis using the inference menu	132
4.2.1	Comparison of nodes	133
4.2.2	Calculation of correlations	136
4.2.3	Using the <code>summary</code> tool	137
4.2.4	Evaluation and ranking of individuals	138
4.2.5	Calculation of deviance information criterion	140
4.3	Multiple chains	141
4.3.1	Generation of multiple chains	141
4.3.2	Output analysis	142
4.3.3	The Gelman–Rubin convergence diagnostic	143
4.4	Changing the properties of a figure	145
4.4.1	General graphical options	145
4.4.2	Special graphical options	145
4.5	Other tools and menus	148
4.5.1	The <code>node info</code> tool	148
4.5.2	Monitoring the acceptance rate of the Metropolis–Hastings algorithm	148
4.5.3	Saving the current state of the chain	149
4.5.4	Setting the starting seed number	149
4.5.5	Running the model as a script	149
4.6	Summary and concluding remarks	149
	Problems	150
5	Introduction to Bayesian Models: Normal Models	151
5.1	General modeling principles	151
5.2	Model specification in normal regression models	152
5.2.1	Specifying the likelihood	153
5.2.2	Specifying a simple independent prior distribution	154
5.2.3	Interpretation of the regression coefficients	154
5.2.4	A regression example using WinBUGS	157
5.3	Using vectors and multivariate priors in normal regression models	161
5.3.1	Defining the model using matrices	161
5.3.2	Prior distributions for normal regression models	162
5.3.3	Multivariate normal priors in WinBUGS	163
5.3.4	Continuation of Example 5.1	164
5.4	Analysis of variance models	167
5.4.1	The one-way ANOVA model	167
5.4.2	Parametrization and parameter interpretation	168

5.4.3	One-way ANOVA model in WinBUGS	169
5.4.4	A one-way ANOVA example using WinBUGS	171
5.4.5	Two-way ANOVA models	173
5.4.6	Multifactor analysis of variance	184
	Problems	184
6	Incorporating Categorical Variables in Normal Models and Further Modeling Issues	189
6.1	Analysis of variance models using dummy variables	191
6.2	Analysis of covariance models	195
6.2.1	Models using one quantitative variable and one qualitative variable	197
6.2.2	The parallel lines model	197
6.2.3	The separate lines model	201
6.3	A bioassay example	203
6.3.1	Parallel lines analysis	204
6.3.2	Slope ratio analysis: Models with common intercept and different slope	212
6.3.3	Comparison of the two approaches	217
6.4	Further modeling issues	218
6.4.1	Extending the simple ANCOVA model	218
6.4.2	Using binary indicators to specify models in multiple regression	219
6.4.3	Selection of variables using the deviance information criterion (DIC)	219
6.5	Closing remarks	226
	Problems	226
7	Introduction to Generalized Linear Models: Binomial and Poisson Data	229
7.1	Introduction	229
7.1.1	The exponential family	230
7.1.2	Common distributions as members of the exponential family	231
7.1.3	Link functions	234
7.1.4	Common generalized linear models	236
7.1.5	Interpretation of GLM coefficients	238
7.2	Prior distributions	239
7.3	Posterior inference	241
7.3.1	The posterior distribution of a generalized linear model	241
7.3.2	GLM specification in WinBUGS	242
7.4	Poisson regression models	242
7.4.1	Interpretation of Poisson log-linear parameters	242
7.4.2	A simple Poisson regression example	245

7.4.3 A Poisson regression model for modeling football data	249
7.5 binomial response models	255
7.5.1 Interpretation of model parameters in binomial response models	257
7.5.2 A simple example	263
7.6 Models for contingency tables	269
Problems	270
8 Models for Positive Continuous Data, Count Data, and Other GLM-Based Extensions	275
8.1 Models with nonstandard distributions	275
8.1.1 Specification of arbitrary likelihood using the zeros–ones trick	276
8.1.2 The inverse Gaussian model	277
8.2 Models for positive continuous response variables	279
8.2.1 The gamma model	279
8.2.2 Other models	280
8.2.3 An example	281
8.3 Additional models for count data	282
8.3.1 The negative binomial model	283
8.3.2 The generalized Poisson model	286
8.3.3 Zero inflated models	288
8.3.4 The bivariate Poisson model	291
8.3.5 The Poisson difference model	293
8.4 Further GLM-based models and extensions	296
8.4.1 Survival analysis models	297
8.4.2 Multinomial models	298
8.4.3 Additional models and further reading	300
Problems	301
9 Bayesian Hierarchical Models	305
9.1 Introduction	305
9.1.1 A simple motivating example	306
9.1.2 Why use a hierarchical model?	307
9.1.3 Other advantages and characteristics	308
9.2 Some simple examples	308
9.2.1 Repeated measures data	308
9.2.2 Introducing random effects in performance parameters	313
9.2.3 Poisson mixture models for count data	315
9.2.4 The use of hierarchical models in meta-analysis	318
9.3 The generalized linear mixed model formulation	320
9.3.1 A hierarchical normal model: A simple crossover trial	321
9.3.2 Logit GLMM for correlated binary responses	325

9.3.3 Poisson log-linear GLMMs for correlated count data	333
9.4 Discussion, closing remarks, and further reading	338
Problems	340
10 The Predictive Distribution and Model Checking	341
10.1 Introduction	341
10.1.1 Prediction within Bayesian framework	341
10.1.2 Using posterior predictive densities for model evaluation and checking	342
10.1.3 Cross-validation predictive densities	344
10.2 Estimating the predictive distribution for future or missing observations using MCMC	344
10.2.1 A simple example: Estimating missing observations	345
10.2.2 An example of Bayesian prediction using a simple model	347
10.3 Using the predictive distribution for model checking	354
10.3.1 Comparison of actual and predictive frequencies for discrete data	354
10.3.2 Comparison of cumulative frequencies for predictive and actual values for continuous data	357
10.3.3 Comparison of ordered predictive and actual values for continuous data	358
10.3.4 Estimation of the posterior predictive ordinate	359
10.3.5 Checking individual observations using residuals	362
10.3.6 Checking structural assumptions of the model	365
10.3.7 Checking the goodness-of-fit of a model	368
10.4 Using cross-validation predictive densities for model checking, evaluation, and comparison	375
10.4.1 Estimating the conditional predictive ordinate	375
10.4.2 Generating values from the leave-one-out cross-validatory predictive distributions	377
10.5 Illustration of a complete predictive analysis: Normal regression models	378
10.5.1 Checking structural assumptions of the model	378
10.5.2 Detailed checks based on residual analysis	379
10.5.3 Overall goodness-of-fit of the model	380
10.5.4 Implementation using WinBUGS	380
10.5.5 An Illustrative example	383
10.5.6 Summary of the model checking procedure	386
10.6 Discussion	387
Problems	387
11 Bayesian Model and Variable Evaluation	389

11.1 Prior predictive distributions as measures of model comparison: Posterior model odds and Bayes factors	389
11.2 Sensitivity of the posterior model probabilities: The Lindley–Bartlett paradox	391
11.3 Computation of the marginal likelihood	392
11.3.1 Approximations based on the normal distribution	392
11.3.2 Sampling from the prior: A naive Monte Carlo estimator	392
11.3.3 Sampling from the posterior: The harmonic mean estimator	393
11.3.4 Importance sampling estimators	394
11.3.5 Bridge sampling estimators	394
11.3.6 Chib's marginal likelihood estimator	395
11.3.7 Additional details and further reading	397
11.4 Computation of the marginal likelihood using WinBUGS	397
11.4.1 A beta–binomial example	399
11.4.2 A normal regression example with conjugate normal–inverse gamma prior	403
11.5 Bayesian variable selection using Gibbs-based methods	405
11.5.1 Prior distributions for variable selection in GLM	406
11.5.2 Gibbs variable selection	409
11.5.3 Other Gibbs-based methods for variable selection	410
11.6 Posterior inference using the output of Bayesian variable selection samplers	412
11.7 Implementation of Gibbs variable selection in WinBUGS using an illustrative example	414
11.8 The Carlin–Chib method	419
11.9 Reversible jump MCMC (RJMCMC)	420
11.10 Using posterior predictive densities for model evaluation	421
11.10.1 Estimation from an MCMC output	423
11.10.2 A simple example in WinBUGS	424
11.11 Information criteria	424
11.11.1 The Bayes information criterion (BIC)	425
11.11.2 The Akaike information criterion (AIC)	426
11.11.3 Other criteria	427
11.11.4 Calculation of penalized deviance measures from the MCMC output	428
11.11.5 Implementation in WinBUGS	428
11.11.6 A simple example in WinBUGS	429
11.12 Discussion and further reading	432
Problems	432
Appendix A: Model Specification via Directed Acyclic Graphs: The DOODLE Menu	435
A.1 Introduction: Starting with DOODLE	435

A.2 Nodes	436
A.3 Edges	438
A.4 Panels	438
A.5 A simple example	439
Appendix B: The Batch Mode: Running a Model in the Background Using Scripts	443
B.1 Introduction	443
B.2 Basic commands: Compiling and running the model	444
Appendix C: Checking Convergence Using CODA/BOA	447
C.1 Introduction	447
C.2 A short historical review	448
C.3 Diagnostics implemented by CODA/BOA	448
C.3.1 The Geweke diagnostic	448
C.3.2 The Gelman–Rubin diagnostic	449
C.3.3 The Raftery–Lewis diagnostic	449
C.3.4 The Heidelberger–Welch diagnostic	449
C.3.5 Final remarks	450
C.4 A first look at CODA/BOA	450
C.4.1 CODA	450
C.4.2 BOA	451
C.5 A simple example	453
C.5.1 Illustration in CODA	453
C.5.2 Illustration in BOA	457
Appendix D: Notation Summary	461
D.1 MCMC	461
D.2 Subscripts and indices	462
D.3 Parameters	462
D.4 Random variables and data	463
D.5 Sample estimates	463
D.6 Special functions, vectors, and matrices	464
D.7 Distributions	464
D.8 Distribution-related notation	465
D.9 Notation used in ANOVA and ANCOVA	466
D.10 Variable and model specification	466
D.11 Deviance information criterion (DIC)	466
D.12 Predictive measures	467

References	469
Index	485