Stat 19: Fiat Lux, Holdem or Foldem, Probability and Poker

Outline for the day:

- 1. Addiction
- 2. Syllabus, etc.
- 3. Wasicka/Gold/Binger Example
- 4. Meaning of Probability
- 5. Axioms of probability.



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For next class,

(i) Learn the rules of Texas Hold'em.

(see <u>http://www.fulltiltpoker.net/holdem.php</u> and <u>http://www.fulltiltpoker.net/handRankHigh.php</u>)

(ii) Read addiction handout or legality handout at course website http://www.stat.ucla.edu/~frederic/19/F18 .

Sometime in the next few weeks

(iii) Download R and try it out.

(<u>http://cran.stat.ucla.edu</u>)

Wasicka/Gold/Binger Example

Wasicka/Gold/Binger Example, Continued



Meaning of Probability.

Notation: "P(A) = 60%". A is an *event*. Not "P(60%)".

Definition of probability:

<u>Frequentist</u>: If repeated independently under the same conditions millions and millions of times, A would happen 60% of the times.

<u>Bayesian</u>: Subjective feeling about how likely something seems.

P(A or B) means P(A or B <u>or both</u>) Mutually exclusive: P(A and B) = 0. Independent: P(A given B) [written "P(A|B)"] = P(A). $P(A^c)$ means P(not A). 2. Axioms (initial assumptions/rules) of probability:

1)
$$P(A) \ge 0$$
.

- 2) $P(A) + P(A^c) = 1$.
- 3) If A_1, A_2, A_3, \dots are mutually exclusive, then $P(A_1 \text{ or } A_2 \text{ or } A_3 \text{ or } \dots) = P(A_1) + P(A_2) + P(A_3) + \dots$

(#3 is sometimes called the *addition rule*) Probability <=> Area. Measure theory, Venn diagrams



P(A or B) = P(A) + P(B) - P(A and B).