NAG C Library Function Document

nag_moments_quad_form (g01nac)

1 Purpose

nag_moments_quad_form (g01nac) computes the cumulants and moments of quadratic forms in Normal variates.

2 Specification

```
void nag_moments_quad_form (Nag_OrderType order, Nag_SelectMoments mom,
     Nag_IncludeMean mean, Integer n, const double a[], Integer pda,
     const double emu[], const double sigma[], Integer pdsig, Integer l,
     double rkum[], double rmom[], NagError *fail)
```

3 Description

Let x have an n-dimensional multivariate Normal distribution with mean μ and variance-covariance matrix Σ. Then for a symmetric matrix A, nag_moments_quad_form (g01nac) computes up to the first 12 moments and cumulants of the quadratic form $Q = x^T Ax$. The sth moment (about the origin) is defined as

$$E(Q^s),$$

where E denotes expectation. The sth moment of Q can also be found as the coefficient of $t^s/s!$ in the expansion of $E(e^{Qt})$. The sth cumulant is defined as the coefficient of $t^s/s!$ in the expansion of $\log(E(e^{Qt}))$.

The function is based on the routine CUM written by Magnus and Pesaran (1993) and based on the theory given by Magnus (1978), Magnus (1979) and Magnus (1986).

4 References

Magnus J R (1978) The moments of products of quadratic forms in Normal variables *Statist. Neerlandica* **32** 201–210

Magnus J R (1979) The expectation of products of quadratic forms in Normal variables: the practice *Statist. Neerlandica* **33** 131–136

Magnus J R (1986) The exact moments of a ratio of quadratic forms in Normal variables *Ann. ·conom. Statist.* **4** 95–109

Magnus J R and Pesaran B (1993) The evaluation of cumulants and moments of quadratic forms in Normal variables (CUM): Technical description *Comput. Statist.* **8** 39–45

Magnus J R and Pesaran B (1993) The evaluation of moments of quadratic forms and ratios of quadratic forms in Normal variables: Background, motivation and examples *Comput. Statist.* **8** 47–55

5 Parameters

1: **order** – Nag_OrderType *Input*

On entry: the **order** parameter specifies the two-dimensional storage scheme being used, i.e., row-major ordering or column-major ordering. C language defined storage is specified by **order** = **Nag_RowMajor**. See Section 2.2.1.4 of the Essential Introduction for a more detailed explanation of the use of this parameter.

Constraint: **order** = **Nag_RowMajor** or **Nag_ColMajor**.

2: **mom** – Nag_SelectMoments *Input*

On entry: indicates if moments are computed in addition to cumulants.

If **mom** = **Nag_CumulantsOnly**, only cumulants are computed.

If **mom** = **Nag_ComputeMoments**, moments are computed in addition to cumulants.

Constraint: **mom** = **Nag_CumulantsOnly** or **Nag_ComputeMoments**.

3: **mean** – Nag_IncludeMean *Input*

On entry: indicates if the mean, μ, is zero.

If **mean** = **Nag_MeanZero**, μ is zero.

If **mean** = **Nag_MeanInclude**, the value of μ is supplied in **emu**.

Constraint: **mean** = **Nag_MeanZero** or **Nag_MeanInclude**.

4: **n** – Integer *Input*

On entry: the dimension of the quadratic form, n.

Constraint: **n** > 1.

5: **a**$[dim]$ – const double *Input*

Note: the dimension, dim, of the array **a** must be at least **pda** $\times$ **n**.

If **order** = **Nag_ColMajor**, the (i, j)th element of the matrix A is stored in **a**$[(j-1) \times$ **pda** $+ i - 1]$ and if **order** = **Nag_RowMajor**, the (i, j)th element of the matrix A is stored in **a**$[(i-1) \times$ **pda** $+ j - 1]$.

On entry: the n by n symmetric matrix A. Only the lower triangle is referenced.

6: **pda** – Integer *Input*

On entry: the stride separating matrix row or column elements (depending on the value of **order**) in the array **a**.

Constraint: **pda** $\geq$ **n**.

7: **emu**$[dim]$ – const double *Input*

Note: the dimension, dim, of the array **emu** must be at least **n** when **mean** = **Nag_MeanInclude** and at least 1 otherwise.

On entry: if **mean** = **Nag_MeanInclude**, **emu** must contain the n elements of the vector μ. If **mean** = **Nag_MeanZero**, **emu** is not referenced.

8: **sigma**$[dim]$ – const double *Input*

Note: the dimension, dim, of the array **sigma** must be at least **pdsig** $\times$ **n**.

If **order** = **Nag_ColMajor**, the (i, j)th element of the matrix is stored in **sigma**$[(j-1) \times$ **pdsig** $+ i - 1]$ and if **order** = **Nag_RowMajor**, the (i, j)th element of the matrix is stored in **sigma**$[(i-1) \times$ **pdsig** $+ j - 1]$.

On entry: the n by n variance-covariance matrix Σ. Only the lower triangle is referenced.

Constraint: the matrix Σ must be positive-definite.

9: **pdsig** – Integer *Input*

On entry: the stride separating matrix row or column elements (depending on the value of **order**) in the array **sigma**.

Constraint: **pdsig** $\geq$ **n**.

10: **l** – Integer *Input*

On entry: the required number of cumulants, and moments if specified.

Constraint: $1 \leq \mathbf{l} \leq 12$.

11: **rkum**[**l**] – double *Output*

On exit: the **l** cumulants of the quadratic form.

12: **rmom**[dim] – double *Output*

Note: the dimension, dim, of the array **rmom** must be at least **l** when **mom** = **Nag_ComputeMoments** and at least 1 otherwise.

On exit: if **mom** = **Nag_ComputeMoments**, the **l** moments of the quadratic form.

13: **fail** – NagError * *Input/Output*

The NAG error parameter (see the Essential Introduction).

6 Error Indicators and Warnings

NE_INT

On entry, **n** = ⟨*value*⟩.
Constraint: **n** > 1.

On entry, **pda** = ⟨*value*⟩.
Constraint: **pda** > 0.

On entry, **pdsig** = ⟨*value*⟩.
Constraint: **pdsig** > 0.

On entry, **l** = ⟨*value*⟩.
Constraint: **l** ≤ 12.

On entry, **l** = ⟨*value*⟩.
Constraint: **l** ≥ 1.

NE_INT_2

On entry, **pda** = ⟨*value*⟩, **n** = ⟨*value*⟩.
Constraint: **pda** $\geq$ **n**.

On entry, **pdsig** = ⟨*value*⟩, **n** = ⟨*value*⟩.
Constraint: **pdsig** $\geq$ **n**.

NE_POS_DEF

On entry, **sigma** is not positive-definite.

NE_ALLOC_FAIL

Memory allocation failed.

NE_BAD_PARAM

On entry, parameter ⟨*value*⟩ had an illegal value.

NE_INTERNAL_ERROR

An internal error has occurred in this function. Check the function call and any array sizes. If the call is correct then please consult NAG for assistance.

7 Accuracy

In a range of tests the accuracy was found to be a modest multiple of ***machine precision***. See Magnus and Pesaran (1993).

8 Further Comments

None.

9 Example

The example is given by Magnus and Pesaran (1993) and considers the simple autoregression

$$y_t = \beta y_{t-1} + u_t, \quad t = 1, 2, \ldots n,$$

where $\{u_t\}$ is a sequence of independent Normal variables with mean zero and variance one, and y_0 is known. The moments of the quadratic form

$$Q = \sum_{t=2}^{n} y_t y_{t-1}$$

are computed using nag_moments_quad_form (g01nac). The matrix A is given by:

$$A(i+1, i) \quad = \quad \tfrac{1}{2}, \quad i = 1, 2, \ldots n-1;$$

$$A(i, j) \quad = \quad 0, \quad \text{otherwise}.$$

The value of Σ can be computed using the relationships

$$\text{var}(y_t) = \beta^2 \, \text{var}(y_{t-1}) + 1$$

and

$$\text{cov}(y_t y_{t+k}) = \beta \, \text{cov}(y_t y_{t+k-1})$$

for $k \geq 0$ and $\text{var}(y_1) = 1$.

The values of β, y_0, n, and the number of moments required are read in and the moments and cumulants printed.

9.1 Program Text

```
/* nag_moments_quad_form (g01nac) Example Program.
 *
 * Copyright 2001 Numerical Algorithms Group.
 *
 * Mark 7, 2001.
 */

#include <stdio.h>
#include <nag.h>
#include <nag_stdlib.h>
#include <nagg01.h>

int main(void)
{
  /* Scalars */
  double beta, con;
  Integer exit_status, i, j, l, n, pda, pdsigma;
  NagError fail;
  Nag_OrderType order;

  /* Arrays */
  double *a=0, *emu=0, *rkum=0, *rmom=0, *sigma=0;

#ifdef NAG_COLUMN_MAJOR
#define A(I,J) a[(J-1)*pda + I - 1]
#define SIGMA(I,J) sigma[(J-1)*pdsigma + I - 1]
```

```
  order = Nag_ColMajor;
#else
#define A(I,J) a[(I-1)*pda + J - 1]
#define SIGMA(I,J) sigma[(I-1)*pdsigma + J - 1]
  order = Nag_RowMajor;
#endif

  INIT_FAIL(fail);
  exit_status = 0;
  Vprintf("g01nac Example Program Results\n");

  /* Skip heading in data file */
  Vscanf("%*[^\n] ");

  Vscanf("%lf%lf%*[^\n] ", &beta, &con);
  Vscanf("%ld%ld%*[^\n] ", &n, &l);

  /* Allocate memory */
  if ( !(a = NAG_ALLOC(n * n, double)) ||
       !(emu = NAG_ALLOC(n, double)) ||
       !(rkum = NAG_ALLOC(l, double)) ||
       !(rmom = NAG_ALLOC(l, double)) ||
       !(sigma = NAG_ALLOC(n * n, double)) )
    {
      Vprintf("Allocation failure\n");
      exit_status = -1;
      goto END;
    }

  pda = n;
  pdsigma = n;

  if (l <= 12)
    {
      /* Compute A, EMU, and SIGMA for simple autoregression */
      for (i = 1; i <= n; ++i)
        {
          for (j = i; j <= n; ++j)
            A(j, i) = 0.0;
        }
      for (i = 1; i <= n - 1; ++i)
        A(i + 1, i) = 0.5;
      emu[0] = con * beta;
      for (i = 1; i <= n - 1; ++i)
        emu[i] = beta * emu[i - 1];
      SIGMA(1, 1) = 1.0;
      for (i = 2; i <= n; ++i)
        SIGMA(i, i) = beta * beta * SIGMA(i - 1, i - 1) + 1.0;
      for (i = 1; i <= n; ++i)
        {
          for (j = i + 1; j <= n; ++j)
            SIGMA(j, i) = beta * SIGMA(j - 1, i);
        }

      g01nac(order, Nag_ComputeMoments, Nag_MeanInclude,
             n, a, n, emu, sigma, n, l, rkum, rmom, &fail);
      if (fail.code != NE_NOERROR)
        {
          Vprintf("Error from g01nac.\n%s\n", fail.message);
          exit_status = 1;
          goto END;
        }

      Vprintf("\n");
      Vprintf(" n = %3ld beta = %6.3f con = %6.3f\n", n, beta, con);
      Vprintf("\n");

      Vprintf("    Cumulants       Moments\n");
      Vprintf("\n");
      for (i = 1; i <= l; ++i)
        Vprintf("%3ld%12.4e    %12.4e\n", i, rkum[i - 1], rmom[i - 1]);
```

```
    }

 END:
  if (a) NAG_FREE(a);
  if (emu) NAG_FREE(emu);
  if (rkum) NAG_FREE(rkum);
  if (rmom) NAG_FREE(rmom);
  if (sigma) NAG_FREE(sigma);

  return exit_status;
}
```

9.2 Program Data

```
g01nac Example Program Data
0.8  1.0   : BETA, CON
10   4     : N, L
```

9.3 Program Results

```
g01nac Example Program Results

 n =  10 beta =  0.800 con =  1.000

    Cumulants       Moments

  1  1.7517e+01      1.7517e+01
  2  3.5010e+02      6.5695e+02
  3  1.6091e+04      3.9865e+04
  4  1.1700e+06      3.4039e+06
```
