

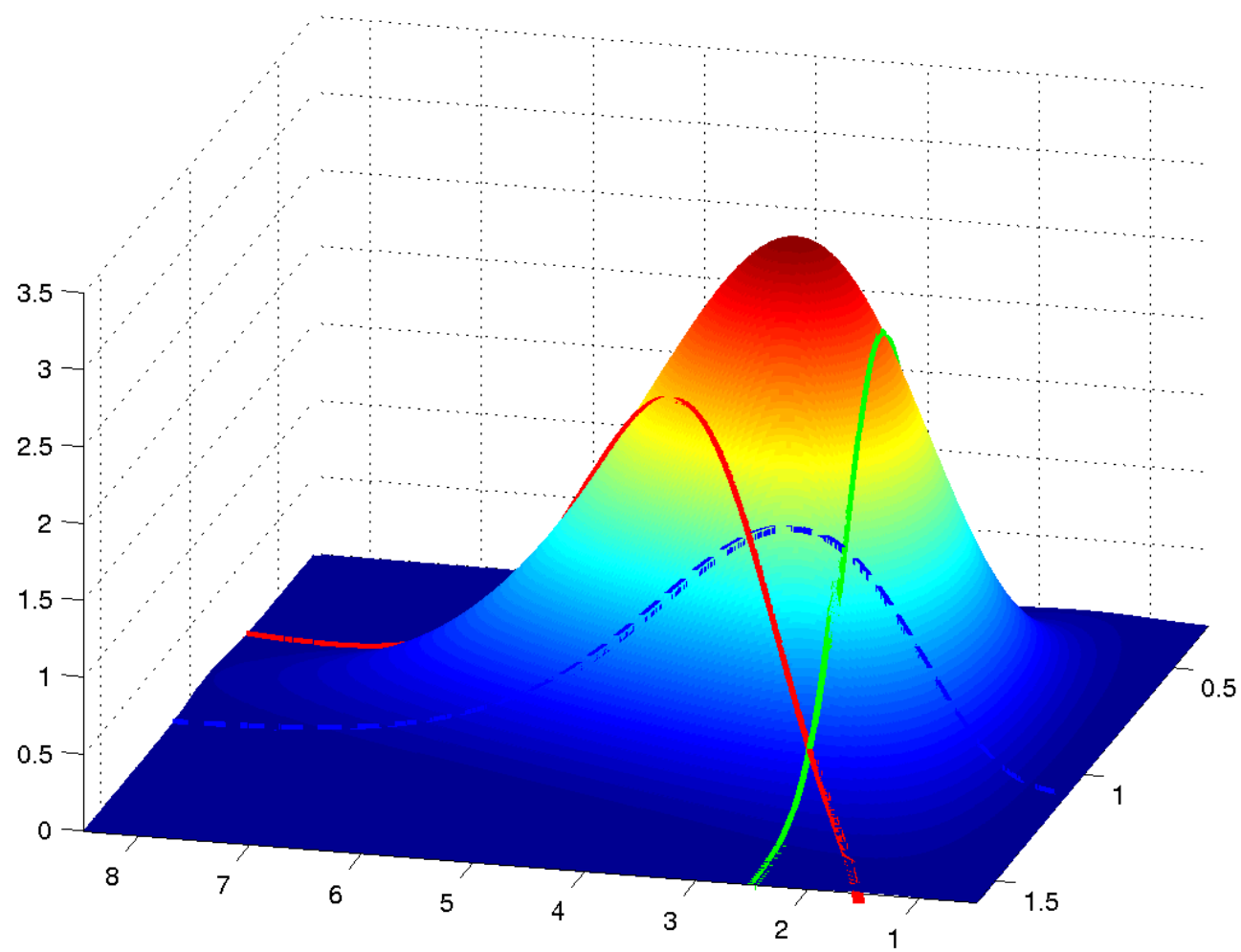
FBST Illustration

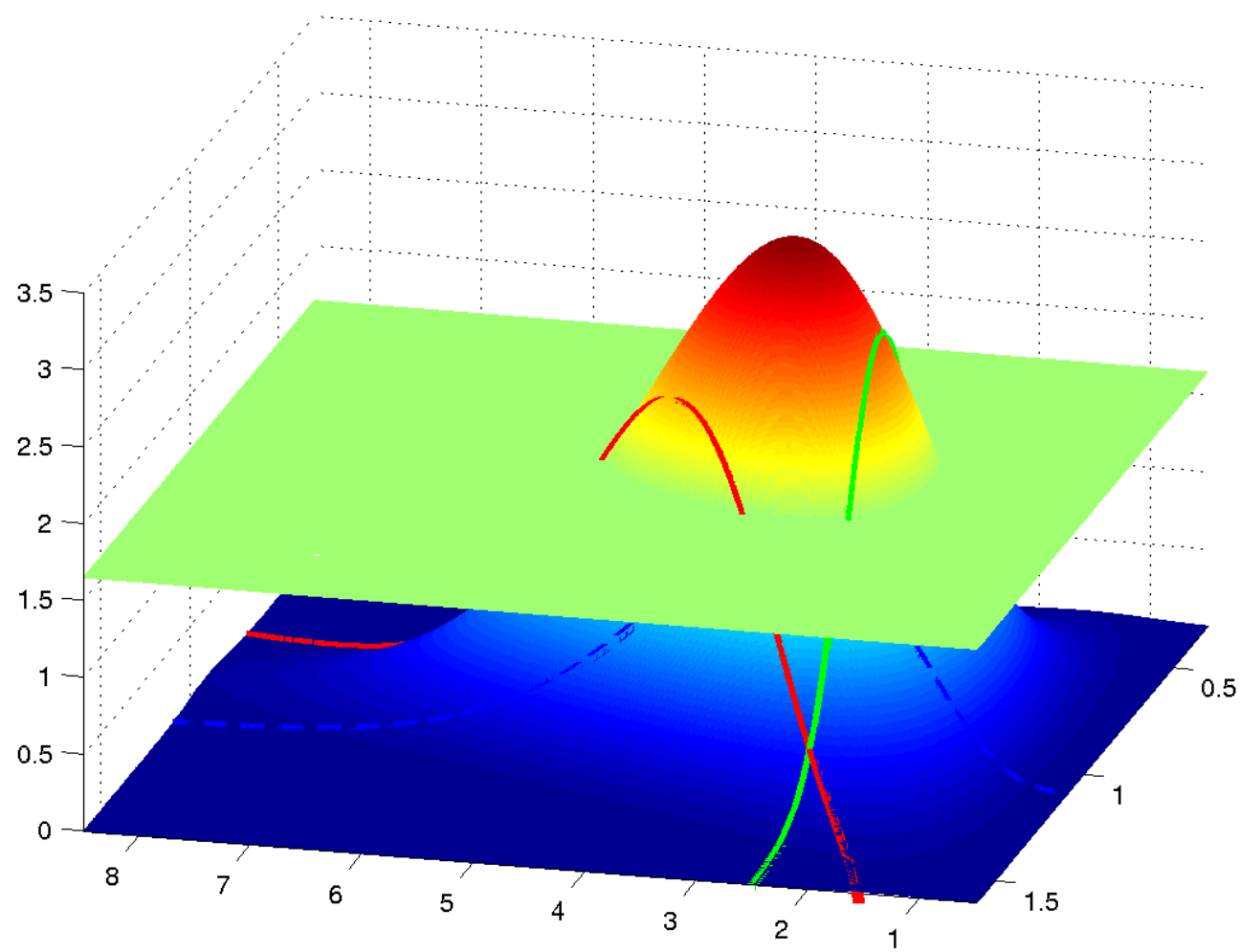
- **Parameters:**

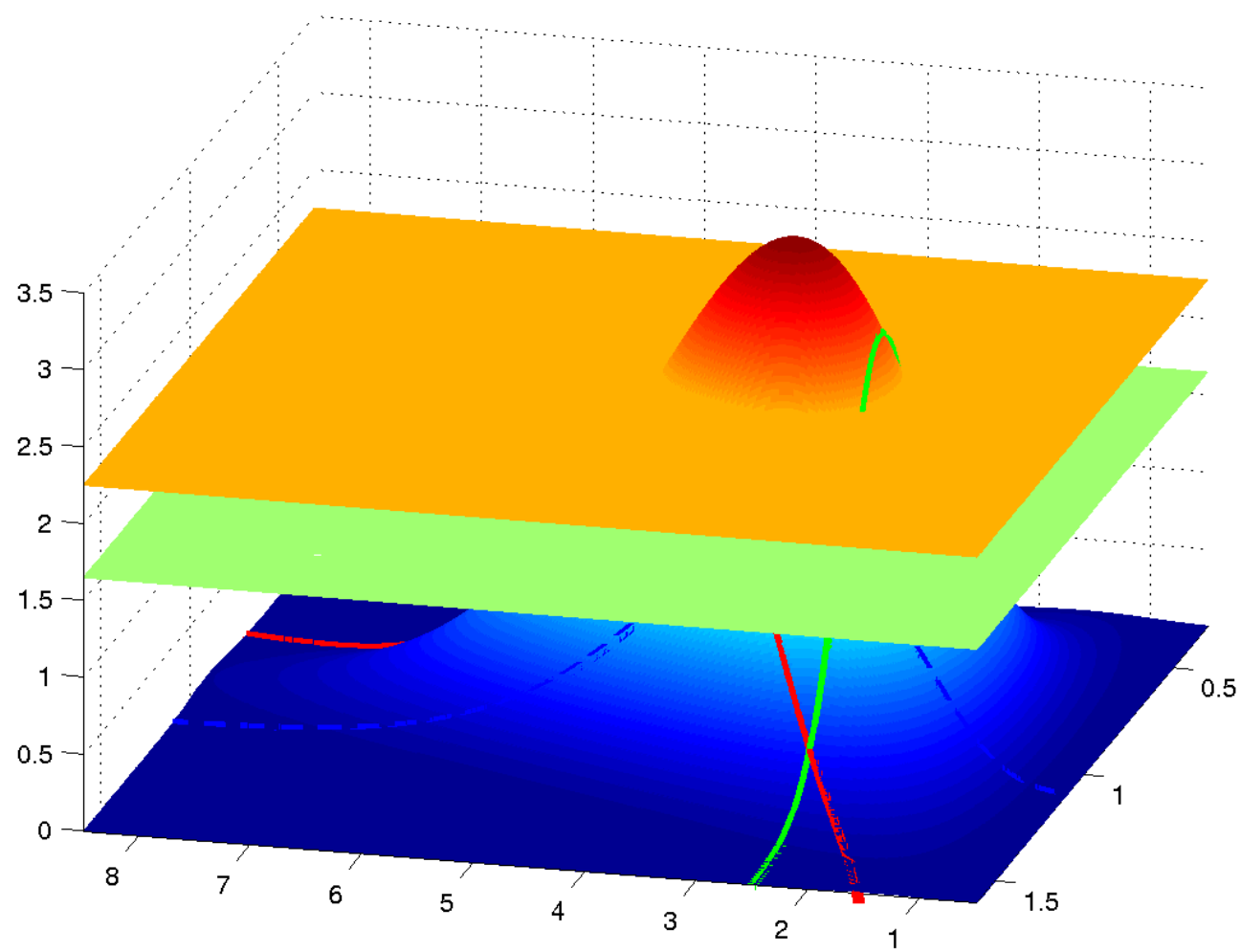
(μ, τ) are parameters of a normal distribution where μ is the mean and τ the inverse of the variance, $\tau = \sigma^{-2}$. It is also known as precision.

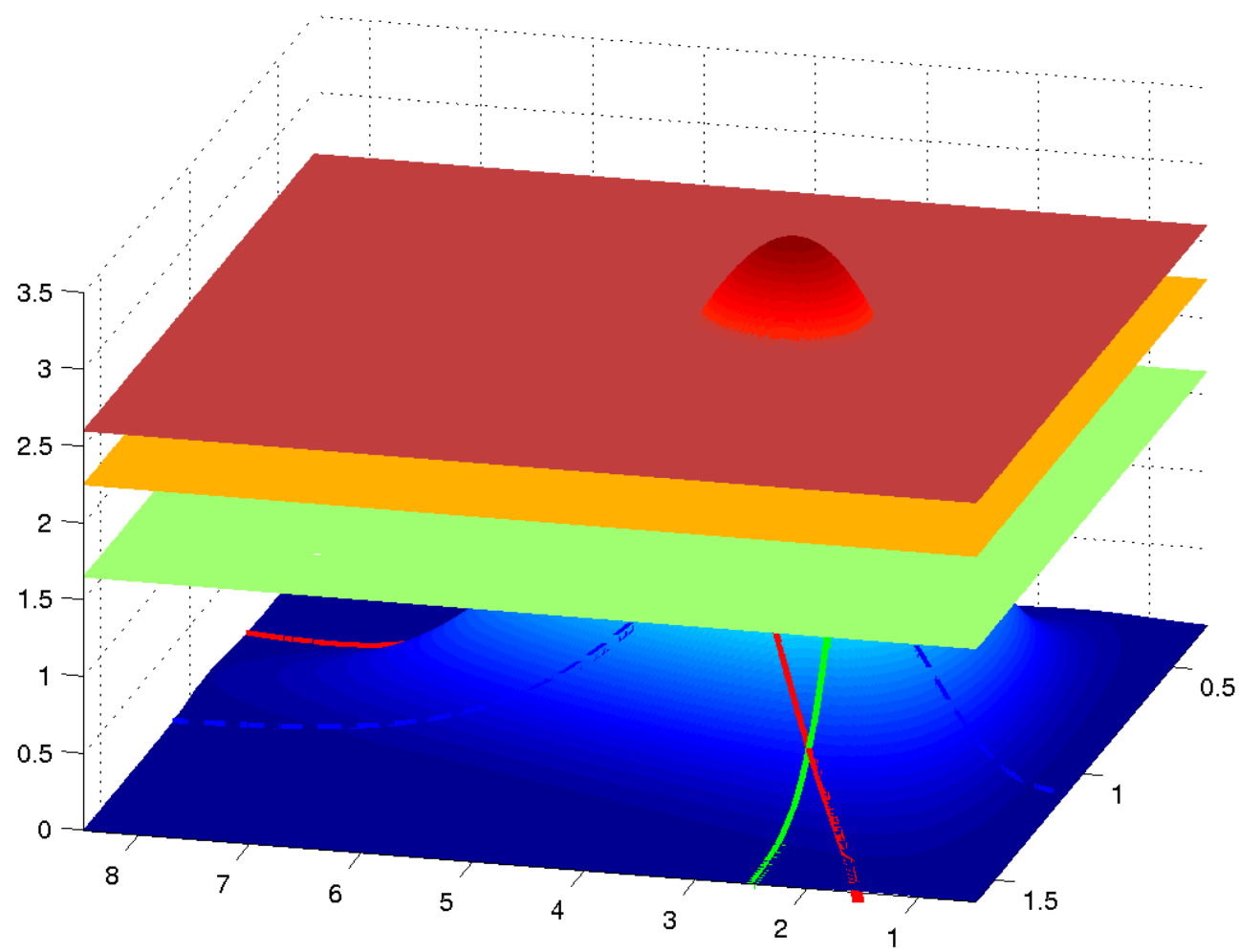
- **Posterior density:**

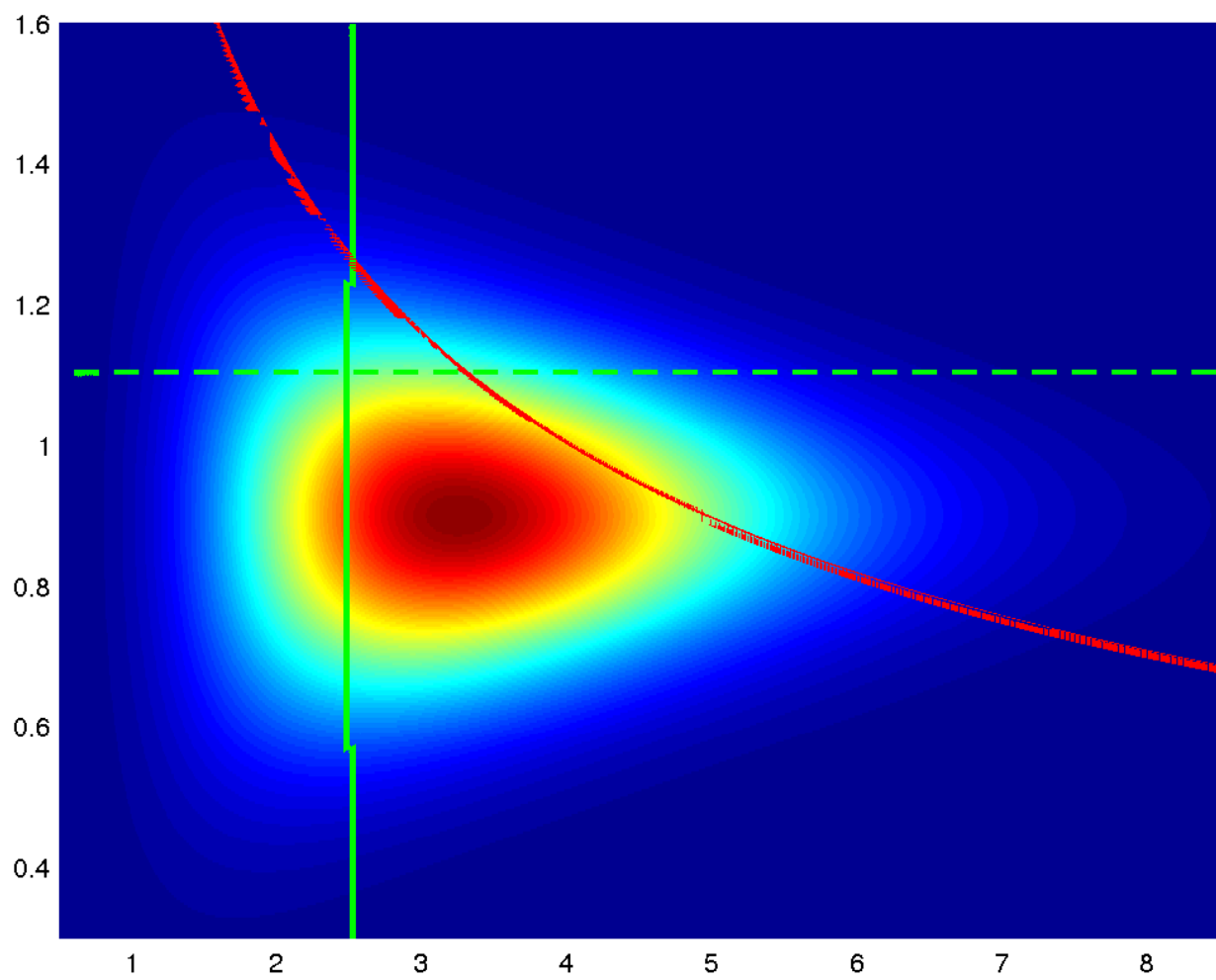
$$f(\mu, \tau) \propto \tau^{6.5} \exp\{-(\tau / 2)[4 + 11(\mu - 0.9)]\}.$$

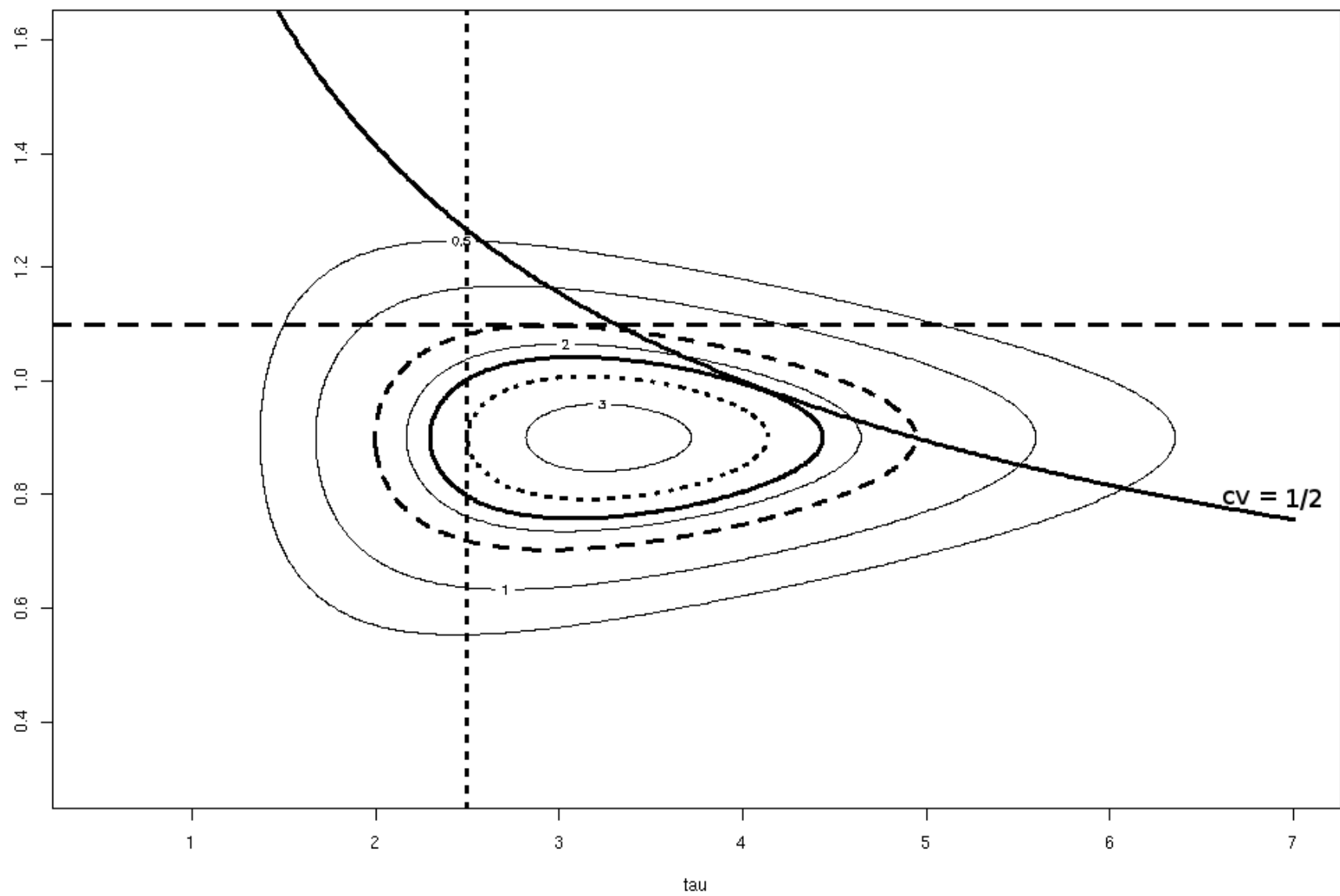












Sharp Hypotheses:

- **H1:** $\mu = 1.1$
ev = 51%.
- **H2:** $\tau = 2.5$
ev = 70%.
- **H3:** ***cv = $(\mu^2 \tau)^{-.5} = 1/2$***
ev = 81%.

More Sharp Hypotheses:

- **H4:** $\mu = 1.1$ & $\tau = 2.5$
ev = 47%
- **H5:** $\mu = 1.1$ & ***cv = 1/2***
ev = 50%
- **H6:** $\tau = 2.5$ & ***cv = 1/2***
ev = 14%