



Short communication

Computing the distribution of quadratic forms: Further comparisons between the Liu–Tang–Zhang approximation and exact methods

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ABSTRACT

Liu, Tang and Zhang [Liu, H. Tang, Y., Zhang H.H. 2009. A new chi-square approximation to the distribution of non-negative definite quadratic forms in non-central normal variables. *Computational Statistics & Data Analysis* 53, 853–856] proposed a chi-square approximation to the distribution of non-negative definite quadratic forms in non-central normal variables. To approximate the distribution of interest, they used a non-central chi-square distribution, where the degrees of freedom and the non-centrality parameter were calculated using the first four cumulants of the quadratic form. Numerical examples were encouraging, suggesting that the approximation was particularly accurate in the upper tail of the distribution. We present here additional empirical evidence, comparing Liu–Tang–Zhang's four-moment non-central chi-square approximation with exact methods. While the moment-based method is interesting because of its simplicity, we demonstrate that it should be used with care in practical work, since numerical examples suggest that significant differences may occur between that method and exact methods, even in the upper tail of the distribution.

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1. Introduction

Let $\mathbf{X} = (X_1, \dots, X_p)^\top$ be a multivariate normal random vector $\mathcal{N}_p(\boldsymbol{\mu}, \boldsymbol{\Sigma})$, with mean $\boldsymbol{\mu} = (\mu_1, \dots, \mu_p)^\top$ and positive definite covariance matrix $\boldsymbol{\Sigma}$. Consider the quadratic form $\mathcal{Q} = \mathbf{X}^\top \mathbf{A} \mathbf{X}$, where \mathbf{A} represents a $p \times p$ symmetric and non-negative definite matrix. A problem of interest is to evaluate the probability

$$\Pr(\mathcal{Q} > q), \quad (1)$$

where q is a scalar.

In the simplest case $\boldsymbol{\Sigma} = \mathbf{A} = \mathbf{I}_p$, where \mathbf{I}_p denotes the $p \times p$ identity matrix, \mathcal{Q} represents a non-central chi-square random variable with p degrees of freedom and non-centrality parameter $\delta = \boldsymbol{\mu}^\top \boldsymbol{\mu}$. In the general case, let \mathbf{P} be such that $\mathbf{P}\mathbf{P}^\top = \mathbf{I}_p$ and that diagonalizes $\mathbf{C}\mathbf{A}\mathbf{C}^\top$, that is $\mathbf{P}\mathbf{C}\mathbf{A}\mathbf{C}^\top\mathbf{P}^\top = \mathbf{D} = \text{diag}(\lambda_1, \dots, \lambda_p)$. The matrix \mathbf{C} corresponds to the Cholesky decomposition of $\boldsymbol{\Sigma}$ and satisfies the relation $\mathbf{C}^\top\mathbf{C} = \boldsymbol{\Sigma}$. We assume that $\lambda_1 \geq \dots \geq \lambda_r > 0$ and $\lambda_{r+1} = \dots = \lambda_p = 0$; thus the rank of \mathbf{A} is $r = \text{rank}(\mathbf{A})$. Let $\mathbf{Y} = \mathbf{P}(\mathbf{C}^\top)^{-1}\mathbf{X}$ and $\mathbf{v} = \mathbf{P}(\mathbf{C}^\top)^{-1}\boldsymbol{\mu}$. Thus the distribution of \mathbf{Y} is $\mathcal{N}_p(\mathbf{v}, \mathbf{I}_p)$, and it follows that the quadratic form \mathcal{Q} can be expressed as a weighted sum of chi-square random variables:

$$\mathcal{Q} = \mathbf{X}^\top \mathbf{A} \mathbf{X} = \mathbf{Y}^\top \mathbf{D} \mathbf{Y} = \sum_{i=1}^r \lambda_i \chi_{h_i}^2(\delta_i),$$

where $h_i = 1$, $\delta_i = v_i^2$, with v_i the i th component of the vector \mathbf{v} , $i = 1, \dots, r$.

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Many test statistics converge in distribution toward a finite weighted sum of chi-square random variables. A famous example is the Chernoff–Lehmann test statistic for goodness-of-fit to a fixed distribution, which converges to a finite weighted sum of central (non-central) chi-square random variables under the null (alternative) hypothesis (see, e.g., Moore and Spruill (1975) and Spruill (1976)). In time series analysis, a popular procedure often encountered in applied work is the Box–Pierce–Ljung portmanteau test statistic for lack of fit in autoregressive-moving-average (ARMA) time series models. The approximate critical values of that test procedure are often taken from a chi-square distribution, but in general the valid asymptotic distribution under the null hypothesis is given by a finite weighted sum of central chi-square random variables; see Ljung (1986), Francq et al. (2005) and Duchesne and Francq (2008), among others. Under local alternatives (in Pitman’s sense), it may be seen that the Box–Pierce–Ljung portmanteau test statistic converges in distribution to a finite weighted sum of non-central chi-square random variables. Another example is the portmanteau test statistic of Peña and Rodriguez (2002) for model checking in linear and non-linear time series models, which under certain conditions display more power than the Box–Pierce–Ljung test statistics. See also Lin and McLeod (2006). Our literature review is far from being exhaustive, and in fact is very selective. However, it suggests the importance of determining (1) for quadratic forms in central and non-central normal variables in level and power studies.

The computation of (1) for quadratic forms in non-central normal variables will typically arise in power analysis (note in passing that level studies are performed under the null hypothesis, and thus (1) should also be computed accurately for quadratic forms in central normal variables). Many methods have been proposed for that problem, including methods relying on numerical inversion of the characteristic function (see, e.g., Imhof (1961) and Davies (1973, 1980)). These methods are not limited to non-negative quadratic forms and they are found to perform better than Pearson’s three-moment central chi-square approximation in these situations (Imhof (1961)). Farebrother (1984) and Sheil and O’Muirheartaigh (1977), based on the results of Ruben (1962), exploit the fact that (1) can be written as an infinite series of central chi-square distributions. Farebrother (1990) proposed a method which expresses a quadratic form in an alternative form, using the so-called tridiagonal form. Another reference is Kuonen (1999), who uses saddlepoint approximations.

Recently, Liu et al. (2009) proposed a new moment-based approach. Their method relies on a chi-square approximation to the distribution of non-negative definite quadratic forms in non-central normal variables. When the normal variables have zero mean, their method reduces to Pearson’s three-moment central chi-square approach. It should be noted that Pearson’s three-moment central chi-square approximation may be inaccurate to determine probabilities in certain regions of the domain, but it is generally accurate in the upper tail of the distribution (see, e.g., Imhof (1961) or Kuonen (1999), among others). Liu et al. (2009) presented interesting and encouraging numerical examples: in the upper tail of the distribution of the quadratic form in non-central normal variables, their results suggested that their method provided a better approximation of the distribution than Pearson’s method. From their numerical results, the probabilities obtained from their approximation were also very close to the exact values (in the upper tail, the absolute errors were no more than 3×10^{-6}).

The principal objective of this note is to provide additional empirical evidence. The Liu–Tang–Zhang approach is compared to exact methods in Section 2, notably Imhof’s (1961) method and Farebrother’s (1984) algorithm (note that these methods are called exact in the sense that it is possible to bound the approximation error, which can be made arbitrarily small). The comparisons are made at various points of the distribution support in order to appreciate when the moment-based approximation is satisfactory. While Liu–Tang–Zhang’s four-moment non-central chi-square approximation is interesting because of its inherent simplicity, our numerical findings suggest that the method should be used with care, since significant differences may occur between that moment-based approach and exact methods, even in the upper tail of the distribution. Section 3 offers concluding remarks.

2. Empirical comparisons and discussion

This section compares Liu–Tang–Zhang’s four-moment non-central chi-square approximation with two exact methods. In order to approximate accurately the true probabilities, we proceeded as in Liu et al. (2009) and we used Farebrother’s (1984) algorithm, using a theoretical result of Ruben (1962), as reported in Kotz et al. (1967, p. 843). See Liu et al. (2009, p. 855), and Farebrother (1984, pp. 333–334). We also included Imhof’s (1961) method in the numerical comparisons, which is popular in several studies. We would like to point out that all the computations were performed using the **R** package `CompQuadForm` that we developed recently. Note that in addition to Imhof’s (1961) method and Farebrother’s (1984) algorithm, our **R** package also includes an algorithm provided by Davies (1980). In order to achieve computational efficiency, the algorithms included in our package have been implemented in the C language and interfaced with the **R** software. The package `CompQuadForm` is freely available from the authors. All the results using Farebrother’s (1984) algorithm in our **R** package have been verified with the NAG routine `G01JCF` (Mark 18) of the FORTRAN 77 language; the results were identical with a precision of 10^{-6} .

We considered eight quadratic forms, which are defined in Table 1. The quadratic forms \mathcal{Q}_1 and \mathcal{Q}_2 represent modifications of the first and second cases of Liu et al. (2009). For \mathcal{Q}_1 , the weights 0.4 and 0.1 are replaced by the values 4.0 and 1.0, respectively, and the non-centrality parameters 0.6 and 0.8 are divided by two. For the quadratic form \mathcal{Q}_2 , the weight 0.3 is multiplied by 10, and the non-centrality parameter 2 is divided by 10. In \mathcal{Q}_3 , we consider a situation where the weight of the first $\chi_1^2(\delta)$ random variable is large but its non-centrality parameter is small, while the weight of the second $\chi_1^2(\delta)$ random variable is relatively small, but the associated non-centrality parameter is large. The quadratic forms \mathcal{Q}_4 is inspired from

Table 1

Definitions of the quadratic forms.

$\mathcal{Q}_1 = 0.5\chi_1^2(1.0) + 4.0\chi_2^2(0.3) + 1.0\chi_1^2(0.4),$
$\mathcal{Q}_2 = 0.7\chi_1^2(6.0) + 3.0\chi_1^2(0.2),$
$\mathcal{Q}_3 = 10.0\chi_1^2(0.1) + 1.0\chi_1^2(10.0),$
$\mathcal{Q}_4 = 6.0\chi_2^2(0.2) + 3.0\chi_2^2(0.8) + 1.0\chi_2^2(12.0),$
$\mathcal{Q}_5 = \chi_1^2(1.0) + (0.6)^4\chi_1^2(7.0),$
$\mathcal{Q}_6 = \chi_1^2(0.1) + (0.6)^4\chi_1^2(10.0),$
$\mathcal{Q}_7 = \chi_2^2(0.2) + (0.7)^6\chi_1^2(10.0),$
$\mathcal{Q}_8 = \chi_2^2 + (0.8)^6\chi_1^2(8.0).$

Davies (1980, Table 3), who considered a similar quadratic form expressed as a finite sum of centered chi-square random variables; we simply introduced non-centrality parameters.

The quadratic forms \mathcal{Q}_5 – \mathcal{Q}_8 are inspired from the asymptotic distribution of the Box–Pierce–Ljung portmanteau test statistic, which is widely used in time series analysis. If a time series follows a first-order autoregressive or moving-average model with parameter α and is correctly fitted, then the Box–Pierce–Ljung portmanteau test statistic asymptotically follows the quadratic form $\chi_{m-1}^2 + \alpha^{2m}\chi_1^2$ (Ljung (1986)). For \mathcal{Q}_5 and \mathcal{Q}_6 , we considered $m = 2$, $\alpha = 0.6$, and we introduced non-centrality parameters 1.0 and 7.0 in \mathcal{Q}_5 , while the non-centrality parameters were 0.1 and 10.0 in \mathcal{Q}_6 . For the quadratic form \mathcal{Q}_7 , we examined $m = 3$, $\alpha = 0.7$, with non-centrality parameters 0.2 and 10.0. For \mathcal{Q}_8 , we considered $m = 3$, $\alpha = 0.8$, with non-centrality parameters 0.0 and 8.0. We do not claim that these choices for the non-centrality parameters have a precise statistical interpretation: they have been chosen in order to appreciate the quality of the Liu–Tang–Zhang approximation compared with Imhof’s (1961) method and Farebrother’s (1984) algorithm.

The results are presented in Table 2. Our numerical examples demonstrate that Farebrother’s (1984) algorithm and Imhof’s (1961) method differ very little, using both the absolute and relative errors. The absolute and relative errors of Liu–Tang–Zhang’s four-moment non-central chi-square approximation were more important than those presented in Liu et al. (2009), when the probabilities were compared with the exact values of Farebrother’s (1984) algorithm. More importantly, the numerical examples in Liu et al. (2009) seem not representative of all situations of interest in practical applications, since the probabilities obtained from the Liu–Tang–Zhang method may be relatively far from the exact probabilities.

We now discuss the results presented in Table 2 in more details. We first study \mathcal{Q}_1 . The difference with the first example of Liu et al. (2009) is related to more important weights in the quadratic forms for the non-central chi-square variables with small non-centrality parameters. It may be noted that the absolute errors are larger than those displayed in Liu et al. (2009). For example, in their numerical example, when the true probability was 3.1% they obtained an absolute error of 3×10^{-5} , while in our example the absolute error is larger by a factor 10 when the true probability is around 5%. We did a similar experiment with \mathcal{Q}_2 , where the non-central chi-square variable with a small weight was associated with a large non-centrality parameter, and the other non-central chi-square variable offered a larger weight but a smaller non-centrality parameter. In that case, Liu–Tang–Zhang’s four-moment non-central chi-square approximation gave large relative errors, as large as 7% when the true probability was about 5%. The quadratic form \mathcal{Q}_3 is similar to \mathcal{Q}_2 but it offers more extreme differences between the weights and the non-centrality parameters; again, the Liu–Tang–Zhang approximation performed poorly. The quadratic form \mathcal{Q}_4 also suggests that the moment-based approximation can be relatively unsatisfactory. Under \mathcal{Q}_5 , the non-centrality parameters were 1.0 and 7.0, and the relative error in the upper tail of the distribution was about 1.2%, when the true probability was approximately 3.6%. The quadratic form \mathcal{Q}_6 is similar to \mathcal{Q}_5 , with the differences that the first non-centrality parameter is divided by 10, and the second non-centrality parameter is increased from 7.0 to 10.0. In that case, the relative error in the upper tail of the distribution was about 8.6% when the true probability was 4.7%, about 2.6% when the true probability was 1.6%, and 6.8% when the true probability was 0.6%. Note that Imhof’s (1961) method and Farebrother’s (1984) algorithm displayed some differences using the relative error criterion when the true probability was very small. However, the absolute error was 10^{-6} and was considerably smaller than the one of the Liu–Tang–Zhang approximation. The quadratic forms \mathcal{Q}_7 and \mathcal{Q}_8 also suggested that the moment-based approximation can be unsatisfactory in the upper tail of the distribution, while the two exact methods investigated were generally in close agreement.

3. Conclusion

Our numerical results suggest that the moment-based chi-square approximation may provide a poor approximation to the distribution of a quadratic form in non-central normal variables, comparing the probabilities obtained from the Liu–Tang–Zhang approximation with the exact values. While those kinds of techniques are nevertheless interesting and appealing giving their inherent simplicity, it should be noted that modern computer resources allow us to implement exact methods such as Imhof’s (1961) method very efficiently. In the numerical examples presented in this note, the cost in computer time was too small to be a determinant factor. The objective here was not to explain under which conditions the moment-based chi-square approximation is appropriate (however, our numerical examples may suggest when the

Table 2

Probability that the quadratic form Q_i exceeds q , $i \in \{1, \dots, 8\}$. The column F gives the exact values with accuracy 10^{-6} using Farebrother's (1984) algorithm. The column I provides the values using Imhof's (1961) method. The column AE_i ($RE_i(\%)$) gives the absolute errors (relative errors in percentage) of Imhof's (1961) method compared to Farebrother's (1984) algorithm. The column LTZ presents the values using Liu et al.'s (2009) method. The column AE_{LTZ} ($RE_{LTZ}(\%)$) gives the absolute errors (relative errors in percentage) of the Liu–Tang–Zhang method compared to Farebrother's (1984) algorithm.

Quadratic form	q	F	I	AE_i	$RE_i(\%)$	LTZ	AE_{LTZ}	$RE_{LTZ}(\%)$
Q_1	6	0.679440	0.679440	0.000000	0.000003	0.669712	0.009728	1.431733
	8	0.556520	0.556520	0.000000	0.000004	0.549650	0.006870	1.234521
	20	0.152962	0.152962	0.000000	0.000008	0.154503	0.001541	1.007563
	30	0.050874	0.050874	0.000000	0.000059	0.051294	0.000419	0.824287
Q_2	6	0.591269	0.591269	0.000000	0.000008	0.567547	0.023722	4.012093
	15	0.127068	0.127068	0.000000	0.000012	0.132639	0.005570	4.383763
	20	0.052153	0.052153	0.000000	0.000113	0.056008	0.003855	7.391635
	25	0.022099	0.022100	0.000001	0.004046	0.023224	0.001126	5.093545
Q_3	40	0.114930	0.114930	0.000000	0.000022	0.122072	0.007142	6.214041
	50	0.064546	0.064546	0.000000	0.000140	0.069020	0.004474	6.931217
	60	0.037203	0.037203	0.000000	0.000392	0.039296	0.002093	5.625822
	70	0.021772	0.021772	0.000000	0.001076	0.022482	0.000710	3.260405
Q_4	30	0.570073	0.570073	0.000000	0.000000	0.561196	0.008877	1.557103
	40	0.330482	0.330482	0.000000	0.000010	0.329954	0.000528	0.159705
	60	0.086659	0.086659	0.000000	0.000031	0.089430	0.002771	3.197466
	70	0.041871	0.041871	0.000000	0.000314	0.043121	0.001250	2.985924
Q_5	4	0.249843	0.249843	0.000000	0.000000	0.254194	0.004351	1.741461
	5	0.169313	0.169313	0.000000	0.000003	0.171716	0.002402	1.418880
	6	0.115043	0.115043	0.000000	0.000051	0.115845	0.000802	0.696923
	9	0.035784	0.035785	0.000001	0.000289	0.035350	0.000434	1.214135
Q_6	4	0.151668	0.151668	0.000000	0.000014	0.159370	0.007702	5.078090
	6	0.047146	0.047146	0.000000	0.000073	0.051219	0.004073	8.638854
	8	0.016046	0.016046	0.000000	0.000471	0.016459	0.000413	2.576934
	10	0.005676	0.005675	0.000001	0.010978	0.005289	0.000387	6.818694
Q_7	3	0.484953	0.484953	0.000000	0.000018	0.474929	0.010024	2.067013
	6	0.125851	0.125851	0.000000	0.000014	0.129265	0.003414	2.712853
	7	0.079686	0.079686	0.000000	0.000116	0.081951	0.002264	2.841448
	8	0.050413	0.050413	0.000000	0.000084	0.051630	0.001217	2.414282
Q_8	6	0.215605	0.215605	0.000000	0.000004	0.217333	0.001728	0.801447
	8	0.085359	0.085359	0.000000	0.000028	0.088209	0.002850	3.338825
	10	0.032178	0.032178	0.000000	0.000875	0.033241	0.001063	3.303265
	14	0.004394	0.004395	0.000001	0.010090	0.004111	0.000284	6.453687

approximation is not satisfactory), but to point out that it should be used with care, even in the upper tail of the distribution. In conclusion, it is possible that Liu–Tang–Zhang's four-moment non-central chi-square approximation performs better than Pearson's method under certain conditions, but the probabilities found using that method may be relatively far from the exact probabilities.

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