

Where Statistics Went Wrong? And Why?

(An account of a personal experience for the naive, non-statistician, reader)

Equations appearing in the post:

$$R = S(Y - L) = S[(Y_i Y_e) - L] = S[Y_i(1 + \varepsilon) - L] = S[Y_i(1 + \sigma_e Z) - L], \quad (1)$$

$$f_{Y_i}(y) = C_{Y_i} e^{-\frac{1}{1+\alpha} \left(\frac{y-\alpha}{\sigma_i}\right)^{1+\alpha}}, \quad y \geq \alpha, \quad \alpha > -1, \quad (2)$$

$$Z_i = \frac{Y_i - \alpha}{\sigma_i}. \quad (3)$$

$$f_{Z_i}(z) = C_{Z_i} e^{-\frac{1}{1+\alpha} (z)^{1+\alpha}}, \quad z \geq 0, \quad -1 < \alpha, \quad (4)$$

$$1 / C_{Z_i} = (1 + \alpha)^{\frac{1}{1+\alpha}} \Gamma\left(\frac{\alpha + 2}{\alpha + 1}\right). \quad (5)$$