

7.4 n 6

Since The prior distribution is a Gamma distribution with mean  $\mu_0$  we know that  $\frac{\alpha}{\beta} = \mu_0$ . The posterior distribution will be a Gamma with par.  $\alpha' = \alpha + n\bar{X}_n$  and  $\beta' = \beta + n$  so

That The mean of The posterior distribution is

$$\frac{\alpha'}{\beta'} = \frac{\alpha + n\bar{X}_n}{\beta + n} = \frac{\alpha}{\beta + n} + \frac{n}{\beta + n}\bar{X}_n$$

Calling  $\gamma_n = \frac{n}{\beta + n}$  and observing that

$$\frac{\alpha}{\beta + n} = \frac{\alpha}{\beta} \frac{\beta}{\beta + n} = \mu_0 (1 - \gamma_n)$$

we get

$$\frac{\alpha'}{\beta'} = \gamma_n \bar{X}_n + (1 - \gamma_n) \mu_0$$

Clearly  $\gamma$

