Problem 1.

(a) By Bayes rule, for any events $A$ and $B$,

$$\Pr(A|B) = \frac{\Pr(A) \Pr(B|A)}{\Pr(B)}.$$

In this case, we wish to calculate the conditional probability of $a_1$ given the channel output. Thus we take the event $A$ to be the event that the source produced $a_1$, and $B$ to be the event corresponding to one of the 8 possible output sequences. Thus $\Pr(A) = \frac{1}{2}$, and $\Pr(B|A) = \epsilon^i(1-\epsilon)^{3-i}$, where $i$ is the number of ones in the received sequence. $\Pr(B)$ can then be calculated as $\Pr(B) = \Pr(a_1) \Pr(B|a_1) + \Pr(a_2) \Pr(B|a_2)$. Thus we can calculate

$$\Pr(a_1|000) = \frac{\frac{1}{2}(1-\epsilon)^3}{\frac{1}{2}(1-\epsilon)^3 + \frac{1}{2}\epsilon^3},$$

$$\Pr(a_1|100) = \Pr(a_1|010) = \Pr(a_1|001) = \frac{\frac{1}{2}(1-\epsilon)^2\epsilon}{\frac{1}{2}(1-\epsilon)^2\epsilon + \frac{1}{2}\epsilon^2(1-\epsilon)}$$

$$\Pr(a_1|110) = \Pr(a_1|011) = \Pr(a_1|101) = \frac{\frac{1}{2}(1-\epsilon)\epsilon^2}{\frac{1}{2}(1-\epsilon)\epsilon^2 + \frac{1}{2}\epsilon(1-\epsilon)^2}$$

$$\Pr(a_1|111) = \frac{\frac{1}{2}\epsilon^3}{\frac{1}{2}\epsilon^3 + \frac{1}{2}(1-\epsilon)^3}$$

(b) If $\epsilon < 1/2$, then the probability of $a_1$ given 000,001,010 or 100 is greater than 1/2, and the probability of $a_2$ given 110,011,101 or 111 is greater than 1/2. Therefore, the decoding rule above chooses the source symbol that has maximum probability given the observed output. This is the maximum a posteriori decoding rule, and is optimal in that it minimizes the probability of error. To see that this is true, let the input source symbol be $X$, let the output of the channel be denoted by $Y$ and the decoded symbol be $\hat{X}(Y)$. Then

$$\Pr(E) = \Pr(X \neq \hat{X}) = \sum_y \Pr(Y = y) \Pr(X \neq \hat{X}|Y = y)$$

$$= \sum_y \Pr(Y = y) \sum_{x \neq \hat{x}(y)} \Pr(x|Y = y)$$

$$= \sum_y \Pr(Y = y) (1 - \Pr(\hat{x}(y)|Y = y))$$

$$= \sum_y \Pr(Y = y) - \sum_y \Pr(Y = y) \Pr(\hat{x}(y)|Y = y)$$

$$= 1 - \sum_y \Pr(Y = y) \Pr(\hat{x}(y)|Y = y)$$
and thus to minimize the probability of error, we have to maximize the second term, which is maximized by choosing \( \hat{x}(y) \) to the symbol that maximizes the conditional probability of the source symbol given the output.

(c) The probability of error can also be expanded

\[
\Pr(E) = \Pr(X \neq \hat{X}) = \sum_{x} \Pr(X = x) \Pr(\hat{X} \neq x|X = x)
\]

\[
= \Pr(a_1) \Pr(Y = 011, 110, 101, \text{ or } 111|X = a_1)
+ \Pr(a_2) \Pr(Y = 000, 001, 010 \text{ or } 100|X = a_2)
\]

\[
= \frac{1}{2} (3\epsilon^2(1 - \epsilon) + \epsilon^3) + \frac{1}{2} (3\epsilon^2(1 - \epsilon) + \epsilon^3)
\]

\[
= 3\epsilon^2(1 - \epsilon) + \epsilon^3.
\]

(d) By extending the same arguments, it is easy to see that the decoding rule that minimizes the probability of error is the maximum a posteriori decoding rule, which in this case is the same as the maximum likelihood decoding rule (since the two input symbols are equally likely). So we choose the source symbol that is most likely to have produced the given output. This corresponds to choosing \( a_1 \) if the number of 1’s in the received sequence is \( n \) or less, and choosing \( a_2 \) otherwise. The probability of error is then equal to (by symmetry) the probability of error given that \( a_1 \) was sent, which is the probability that \( n + 1 \) or more 0’s have been changed to 1’s by the channel. This probability is

\[
\Pr(E) = \sum_{i=n+1}^{2n+1} \binom{2n+1}{i} \epsilon^i(1 - \epsilon)^{2n+1-i}
\]

This probability goes to 0 as \( n \to \infty \), since this is the probability that the number of 1’s is \( n + 1 \) or more, and since the expected proportion of 1’s is \( (2n + 1)\epsilon < n + 1 \), by the weak law of large numbers the above probability goes to 0 as \( n \to \infty \).

**Problem 2.**

(a) Observe that with \( P_3 \) defined as in the problem, whatever distribution we choose for \( X \), the random variables \( X, Y, Z \) form a Markov chain, i.e., given \( Y \), the random variables \( X \) and \( Z \) are independent. The data processing theorem then yields:

\[
I(X; Z) \leq I(X; Y) \leq C_1
\]

\[
I(X; Z) \leq I(Y; Z) \leq C_2
\]

and thus \( I(X; Z) \leq \min\{C_1, C_2\} \) for any distribution on \( X \). We then conclude that \( C_3 = \max_{p_X} I(X; Z) \leq \min\{C_1, C_2\} \).

(b) The statistician calculates \( \tilde{Y} = g(Y) \).

(b1) Since \( X \to Y \to \tilde{Y} \) forms a Markov chain, we can apply the data processing inequality. Hence for every distribution on \( X \),

\[
I(X; Y) \geq I(X; \tilde{Y}).
\]
Let \( \tilde{p}(x) \) be the distribution on \( x \) that maximizes \( I(X; \tilde{Y}) \). Then
\[
C = \max_{\tilde{p}(x)} I(X; Y) \geq I(X; Y)_{\tilde{p}(x)=\tilde{p}(x)} \geq I(X; \tilde{Y})_{\tilde{p}(x)=\tilde{p}(x)} = \max_{\tilde{p}(x)} \tilde{p}(x) = \tilde{C}.
\]

Thus, the statistician is wrong and processing the output does not increase capacity.

(b2) We have equality (no decrease in capacity) in the above sequence of inequalities only if we have equality in data processing inequality, i.e., for the distribution that maximizes \( I(X; \tilde{Y}) \), we have \( X \to \tilde{Y} \to Y \) forming a Markov chain, in other words if given \( \tilde{Y} \), \( X \) and \( Y \) are independent.

**Problem 3.**

(a) Chain rule for mutual information.
(b) \( I(W, Y^{i-1}; Y_i) = I(Y^{i-1}; Y_i) + I(W; Y_i|Y^{i-1}) \geq I(W; Y_i|Y^{i-1}) \).
(c) \( I(W, X_i, X^{i-1}, Y^{i-1}; Y_i) = I(W, Y^{i-1}; Y_i) + I(X_i, X^{i-1}; Y_i|W, Y^{i-1}) \geq I(W, Y^{i-1}; Y_i) \).

Note that this inequality is in fact equality, unless the mapping \( f_i \) is randomized.

(d) \( W \to (X_i, X^{i-1}, Y^{i-1}) \to Y_i \) is a Markov chain. This follows from the following facts:
- For all \( 1 \leq j \leq i \), \( X_j \) is a function of \( (W, Y^{j-1}) \).
- For all \( 1 \leq j \leq i \), \( Y_j \) depends on \( (W, X^j, Y^{j-1}) \) only through \( X_j \) since the channel is memoryless.

This means that the joint probability distribution of \( (W, X^i, Y^i) \) can be written as follows:
\[
P_{W,X^i,Y^i}(w, x^i, y^i) = P_W(w) \times P_{X_1|W}(x_1|w) P_{Y_1|X_1}(y_1|x_1) \times P_{X_2|W,Y_1}(x_2|w, y_1) P_{Y_2|X_2}(y_2|x_2) \times \ldots \times P_{X_i|W,Y^{i-1}}(x_i|w, x^{i-1}) P_{Y_i|X_i}(y_i|x_i),
\]
which can be rewritten as
\[
P_{W,X^i,Y^i}(w, x^i, y^i) = P_W(w) P_{X_i,X^{i-1},Y^{i-1}|W}(x_i, x^{i-1}, y^{i-1}|w) P_{Y_i|X_i}(y_i|x_i).
\]
(e) Since the channel is stationary and memoryless, \( (X^{i-1}, Y^{i-1}) \to X_i \to Y_i \) is a Markov chain.
(f) From the definition of the capacity.

This proof still works even when the mappings \( f_i \) are randomized. We conclude that feedback does not increase the capacity even if we are allowed to use a randomized encoder.

**Problem 4.**

\[ Y_i = X_i \oplus Z_i, \]
where
\[
Z_i = \begin{cases} 
1 & \text{with probability } p \\
0 & \text{with probability } 1 - p
\end{cases}
\]
and \( Z_i \) are not necessarily independent.

\[
I(X_1, \ldots, X_n; Y_1, \ldots, Y_n) = H(X_1, \ldots, X_n) - H(X_1, \ldots, X_n|Y_1, \ldots, Y_n) \\
= H(X_1, \ldots, X_n) - H(Z_1, \ldots, Z_n|Y_1, \ldots, Y_n) \\
\geq H(X_1, \ldots, X_n) - H(Z_1, \ldots, Z_n) \\
\geq H(X_1, \ldots, X_n) - \sum H(Z_i) \\
= H(X_1, \ldots, X_n) - nH(p) \\
= n - nH(p),
\]

if \( X_1, \ldots, X_n \) are chosen i.i.d. \( \sim \text{Bern}(1/2) \). The capacity of the channel with memory over \( n \) uses of the channel is

\[
nC(n) = \max_{p(x_1, \ldots, x_n)} I(X_1, \ldots, X_n; Y_1, \ldots, Y_n) \\
\geq I(X_1, \ldots, X_n; Y_1, \ldots, Y_n)_{p(x_1, \ldots, x_n)=\text{Bern}(1/2)} \\
\geq n(1 - H(p)) \\
= nC.
\]

Hence channels with memory have higher capacity. The intuitive explanation for this result is that the correlation between the noise decreases the effective noise; one could use the information from the past samples of the noise to combat the present noise.

**Problem 5.** To find the capacity of the product channel, we must find the distribution \( p(x_1, x_2) \) on the input alphabet \( \mathcal{X}_1 \times \mathcal{X}_2 \) that maximizes \( I(X_1, X_2; Y_1, Y_2) \). Since the joint distribution

\[
p(x_1, x_2, y_1, y_2) = p(x_1, x_2)p(y_1|x_1)p(y_2|x_2),
\]

\( Y_1 \rightarrow X_1 \rightarrow X_2 \rightarrow Y_2 \) forms a Markov chain and therefore

\[
I(X_1, X_2; Y_1, Y_2) = H(Y_1, Y_2) - H(Y_1, Y_2|X_1, X_2) \\
= H(Y_1, Y_2) - H(Y_1|X_1, X_2) - H(Y_2|X_1, X_2) \\
= H(Y_1, Y_2) - H(Y_1|X_1) - H(Y_2|X_2) \\
\leq H(Y_1) + H(Y_2) - H(Y_1|X_1) - H(Y_2|X_2) \\
= I(X_1; Y_1) + I(X_2; Y_2),
\]

where (2) and (3) follow from Markovity, and we have equality in (4) if \( Y_1 \) and \( Y_2 \) are independent. Equality occurs when \( X_1 \) and \( X_2 \) are independent. Hence

\[
C = \max_{p(x_1, x_2)} I(X_1, X_2; Y_1, Y_2) \\
\leq \max_{p(x_1, x_2)} I(X_1; Y_1) + \max_{p(x_1, x_2)} I(X_2; Y_2) \\
= \max_{p(x_1)} I(X_1; Y_1) + \max_{p(x_2)} I(X_2; Y_2) \\
= C_1 + C_2.
\]

with equality iff \( p(x_1, x_2) = p^*(x_1)p^*(x_2) \) and \( p^*(x_1) \) and \( p^*(x_2) \) are the distributions for which \( C_1 = I(X_1; Y_2) \) and \( C_2 = I(X_2; Y_2) \) respectively.

**Problem 6.**
(a) Suppose \(p_X(0) = p, p_X(1) = 1 - p = \bar{p}\) and \(H(p) = -\sum p_i \log(p_i)\). Then,

\[
I(X; Y) = H(Y) - H(Y|X) \\
= H(\epsilon, (1 - \alpha - \epsilon)p + \bar{p} \alpha, (1 - \alpha - \epsilon)\bar{p} + p \alpha) - H(\alpha, \epsilon, 1 - \alpha - \epsilon) \\
= h_2(\epsilon) + (1 - \epsilon) h_2(\frac{(1 - \alpha - \epsilon)p + \bar{p} \alpha}{1 - \epsilon}) - H(\alpha, \epsilon, 1 - \alpha - \epsilon)
\]

Since \(h_2\left(\frac{(1 - \alpha - \epsilon)p + \bar{p} \alpha}{1 - \epsilon}\right)\) is maximized when \(p = \bar{p} = 1/2\), we obtain

\[
C = h_2(\epsilon) + (1 - \epsilon) - H(\alpha, \epsilon, 1 - \alpha - \epsilon) \\
= (1 - \epsilon)(1 - h_2(\alpha/(1 - \epsilon)))
\]

(b) For \(\alpha = 0\) and \(\epsilon \neq 0\), we have a binary erasure channel and \(C = 1 - \epsilon\). For \(\alpha \neq 0\) and \(\epsilon = 0\), we have a binary symmetric channel and \(C = 1 - h_2(\alpha)\). When \(\alpha + \epsilon = 1\), again we have a binary erasure channel with \(C = 1 - \epsilon\).

(c)

\[
I(X^n; Y^n) = H(Y^n) - H(Y^n|X^n) \\
= H(Y^n) - \sum_{i=1}^{n} H(Y_i|X_i) \\
\leq \sum_{i=1}^{n} H(Y_i) - \sum_{i=1}^{n} H(Y_i|X_i).
\]

where equality is achieved when \(X_i\)'s are independent. From (a), we know that \(p = \bar{p} = 1/2\) is maximizes the mutual information for each channel use. Hence,

\[
\max_{p(x^n)} I(X^n; Y^n) = \sum_{i=1}^{n} (1 - \epsilon_i)(1 - h_2(\alpha_i/(1 - \epsilon_i)))))
\]