The background of the slide is a complex network diagram. It consists of numerous nodes of varying sizes and colors (orange, green, blue, purple, pink, grey) connected by thin grey lines. Some nodes are highlighted with larger circles or thicker lines, indicating their importance or centrality in the network. The nodes are distributed across the slide, with a higher density in the lower half.

## Seminar 4 · Networks, Crowds and Markets

### Centrality Measures and Social Networks

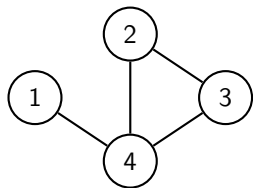
## Warm-up · Building a small $G(4, p)$ graph

We consider an Erdős–Rényi model  $G(4, p)$  with  $p = \frac{2}{3}$ . There are  $\binom{4}{2} = 6$  possible edges.

1. List all possible pairs of nodes: 12, 13, 14, 23, 24, 34.
2. Roll a fair die once per potential edge (six times). Connect the pair if the result is 1–4 (probability  $2/3$ ).
3. Draw the resulting graph.

Example outcome:

pair	12	13	14	23	24	34
die	5	6	2	3	3	1
edge	0	0	1	1	1	1



Compare our experiment results with expected values:

$$\mathbb{E}[L] = p \binom{4}{2} = 4, \quad \mathbb{E}[\deg(v)] = (N-1)p = \frac{2}{3} \times 3 = 2.$$

## Midterm review

I went through the solutions of the midterm.

# Additional exercises

## Exercise · Independence in Erdős–Rényi

Show that in  $G(N, p)$ :

- ▶ Any two different edges are independent.
- ▶ Degrees of two nodes are not independent (why?).

Compute:

$$\text{Cov}(\deg(i), \deg(j)) \quad \text{for } i \neq j.$$

## Exercise · ER as an Exponential Family

[This was discussed in the lecture] Show that the Erdős–Rényi model

$$P(Y = y) \propto \exp(\theta \cdot s(y)), \quad s(y) = \# \text{edges}(y), \quad \theta = \log \frac{p}{1-p}.$$

is an exponential family.

Identify:

- ▶ the sufficient statistic,
- ▶ the natural parameter,
- ▶ the log-partition function.

## Exercise · The $p_2$ Model (undirected)

The  $p_2$  model extends Erdős–Rényi by allowing each node  $i$  to have its own random sociality effect  $\alpha_i$ :

$$\text{logit } \Pr(Y_{ij} = 1 \mid \alpha_i, \alpha_j) = \theta + \alpha_i + \alpha_j.$$

1. Interpret the roles of  $\theta$  and  $\alpha_i$ .
2. How does the variance  $\sigma^2$  control network heterogeneity?
3. What does the model reduce to when  $\alpha_i = 0$  for all  $i$ ?
4. Compare this to a mixed-effects logistic regression model.

## Exercise · Latent Space Model

In a latent-space model, each node  $i$  is embedded at position  $z_i \in \mathbb{R}^2$ , and edges are independent with

$$\text{logit } P(Y_{ij} = 1) = \alpha - \|z_i - z_j\|.$$

1. Explain how distance  $\|z_i - z_j\|$  affects connection probability.
2. What network features can this model capture that  $G(N, p)$  or  $p_2$  cannot?
3. Suggest one real-world system where such geometry might be natural.