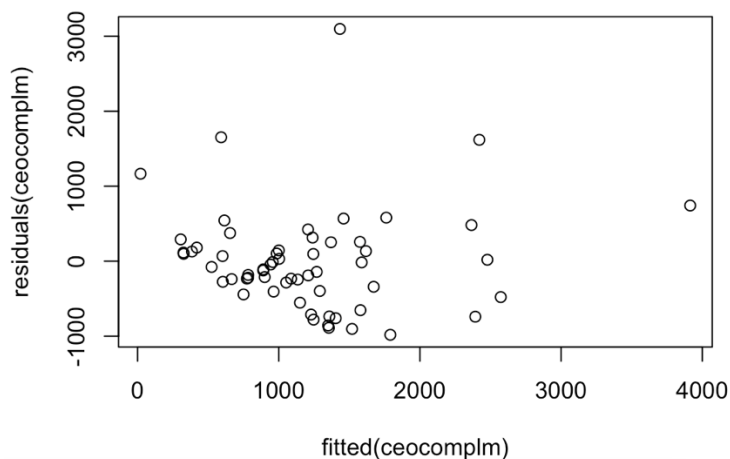


- 1) By observing the residuals vs the fitted values plot, we find that there is observable pattern and the variance of the errors seems inconstant.

When observing the QQ plot, we find that there is no linear relationship since it seems concave upward and so it does not satisfy the assumption of Normality of the Errors.

```
setwd("~/Desktop/STAT 371/a2")
ceocomp=read.table("ceocomp.txt",header = TRUE)
attach(ceocomp)
set.seed(20884580)
my.dat = ceocomp[sample(nrow(ceocomp),75),]
positive <- subset(my.dat, PROF > 0)
attach(positive)
bg <- as.factor(BACKGRD)
ceocomplm <- lm(COMP ~ AGE+EDUCATN+bg+TENURE+EXPER+SALES+VAL+PCNTOWN+PROF)
summary(ceocomplm)

# 1)
plot(fitted(ceocomplm), residuals(ceocomplm))
qqnorm(residuals(ceocomplm))
```



Normal Q-Q Plot

