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- Annual income
- Property tax rate
- % taxable property that is commercial



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$$Price = \beta_0 + \beta_1 Rooms + \beta_2 Income + \beta_3 Tax_Rate + \beta_4 \%_Commercial$$

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Given this file, develop a relationship between,

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Ques: Interpret the various estimated coefficients.

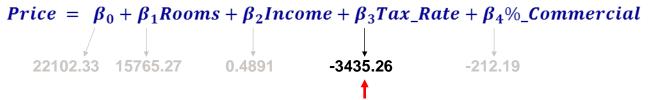


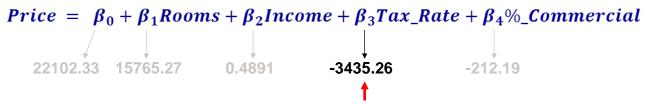
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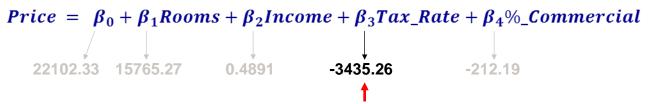
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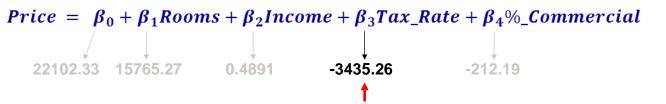
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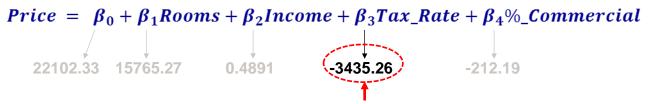
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Step 1: Formulate Hypothesis:

$$H_0$$
: $\beta_3 = -5000$

$$H_A$$
: $\beta_3 \neq -5000$

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Step 2: Consider the 95% confidence interval for β_3

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$$\beta_0 + \beta_1 Rooms + \beta_2 Income + \beta_3 Tax_Rate + \beta_4\%_Commercial$$

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22102.33 15765.27 0.4891 -3435.26 -212.19

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$$H_0$$
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Step 2 : Consider the 95% confidence interval for β_3

Conclusion:

- > Since -5000 falls in the confidence interval, hence do not reject the Null hypothesis.
- > The Mayor's claim may be true.