Linear Regression for Business Statistics

Incorporating 'Categorical Variables' in a regression model.

$$Minutes = \beta_0 + \beta_1 REGA + \beta_2 REGB + \beta_3 Parcels + \beta_4 TruckAge$$

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The parcel delivery service the delivery service wishes to find out the total time it will take to deliver **25 parcels** across **Region A**, **Region B** and **Region C** using a truck that is **10 years** old.

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Re-Cap, Dummy Variables

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❑ **Two rules for Dummy variables.**
  I. 0 or 1 value.
  II. Number of dummies is one less than number of categories.

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