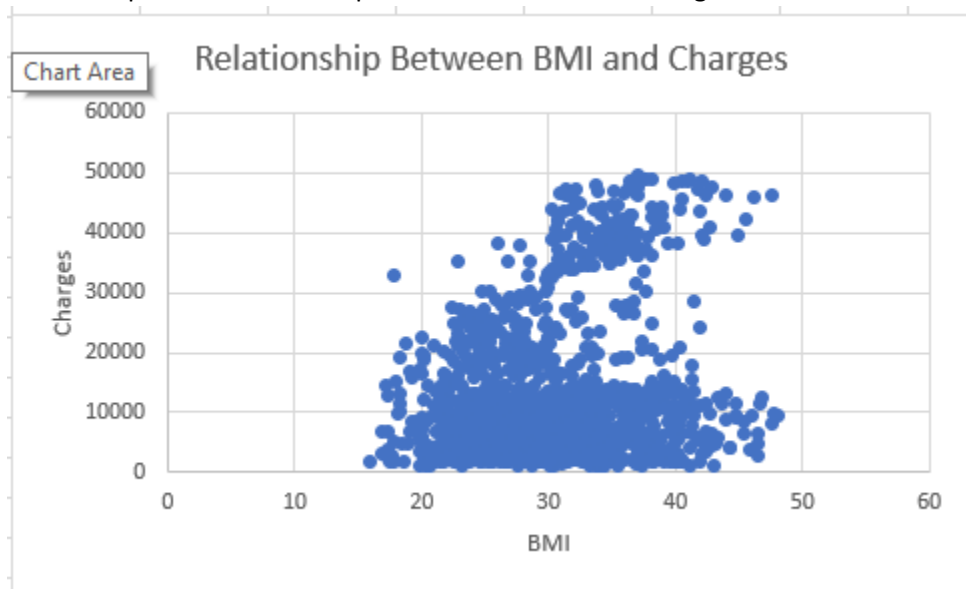


1. Removing outliers for BMI and Charges

Bmean	30.57
Bstd	5.99
Cmean	13031.25
Cstd	11676.82

1	age	sex	bmi	childre	smoker	region	charges		
118	58	male	49.06	0	no	southeast	11381.33	3.02	-0.16
849	23	male	50.38	1	no	southeast	2438.055	3.23	-0.89
1049	22	male	52.58	1	yes	southeast	44501.4	3.59	2.58
1319	18	male	53.13	0	no	southeast	1163.463	3.68	-1.00
1	age	sex	bmi	childre	smoker	region	charges		
36	28	male	36.4	1	yes	southwes	51194.56	0.94	3.13
544	54	female	47.41	0	yes	southeast	63770.43	2.75	4.17
578	31	female	38.095	1	yes	northeast	58571.07	1.22	3.74
820	33	female	35.53	0	yes	northwes	55135.4	0.80	3.46
1145	60	male	32.8	0	yes	southwes	52590.83	0.35	3.25
1229	52	male	34.485	3	yes	northwes	60021.4	0.63	3.86
1299	45	male	30.36	0	yes	southeast	62592.87	-0.05	4.07
1326									

2. There is a positive relationship between the BMI and charges.



3. The regression equation is  $y = 368.57x + 1763.70$

Having a positive  $b_1$  indicates that as  $x_1$  increases, the  $y$  also increases. That means there is a **positive relationship between the BMI and charges** and  $b_0$  is the predicted value when  $x = 0$ .

Bmean	30.57	b0	368.57
Bstd	5.99	b1	1763.70
Cmean	13031.25		
Cstd	11676.82		
		$y = 368.57x + 1763.70$	

b0	368.57
b1	$=M4-(P2*M2)$
b0	$=J1329/K1329$
b1	1763.70
$y = 368.57x + 1763.70$	

Sum of  $xy$ :

	-71352.24	33.43
	52589.50	22.76
	-24177.37	2.25
	$=SUM(J2:J1328)$	47585.02

Sum of  $x^2$ :

2.50	22.76
7.37	2.25
1.82	$=SUM(K2:K1328)$

Proof of  $S_{xy}$ :

C	D	E	F	G	H	I	J	K	L	M	
bmi	children	smoker	region	charges			$(x-\bar{x})(y-\bar{y})$	$(x-\bar{x})^2$			
27.9	0	yes	southwes	16884.92	-0.45	0.30	$=(C2-\$M\$2)*(\$G2-\$M\$4)$		Bmean	30.57	
33.77	1	no	southeast	1725.552	0.51	-0.95	-36169.66	10.24	Bstd	5.99	
33	3	no	southeast	4449.462	0.38	-0.73	-20847.24	5.90	Cmean	13031.25	
22.705	0	no	northwest	2	-1.30	0.72	-70423.89	61.87	Cstd	11676.82	
28.88	0	no	northwest	3866.855	-0.29	-0.78	15494.76	2.86			

Proof of  $S_{x^2}$ :

bmi	children	smoker	region	charges			$(x-\bar{x})(y-\bar{y})$	$(x-\bar{x})^2$		
27.9	0	yes	southwes	16884.92	-0.45	0.30	-10292.24	$=POWER(C2-\$M\$2,2)$	Bmean	30.57
33.77	1	no	southeast	1725.552	0.51	-0.95	-36169.66	$=POWER(number, power)$	Bstd	5.99
33	3	no	southeast	4449.462	0.38	-0.73	-20847.24	5.90	Cmean	13031.25

	J	K	
	$(x-\bar{x})(y-\bar{y})$	$(x-\bar{x})^2$	
0	-10292.24	7.13	Br
5	-36169.66	10.24	Bs
3	-20847.24	5.90	Cn
2	-70423.89	61.87	Cs
3	15494.76	2.86	
9	44803.46	23.34	
2	-13745.56	8.23	
9	16276.12	8.01	
7	4907.40	0.55	
9	-75180.68	22.38	
7	44855.99	18.93	
0	-63258.80	18.32	
4	-42904.38	14.66	
3	-17948.42	85.55	
3	307250.58	133.62	
4	66836.71	35.65	
0	-467.43	0.04	
0	71535.66	45.24	
2	-23630.98	94.66	
5	112585.39	22.37	
0	1073.81	29.53	
5	-16246.44	3.35	
0	-41977.64	12.46	
2	33286.67	1.82	
3	17380.76	6.48	
5	-2764.91	8.13	
0	-10634.18	56.04	
3	-1680.99	4.86	
7	135233.84	173.86	
0	147125.54	32.82	
4	113431.20	25.29	
L	46102.86	18.11	
L	16442.91	3.88	
4	-1670.36	5.11	
5	115720.61	102.94	
9	6179.41	5.73	
L	104829.93	95.47	
3	162112.22	27.20	
	insurance	+	