## **Linear Regression Worksheet**

Work through this individually.

**Question 1:** Explain what  $x_1, x_2, ..., y$  represent.

Question 2: Explain what  $\boldsymbol{x}_1^{(i)}, \boldsymbol{x}_2^{(i)}, ..., \boldsymbol{y}^{(i)}$  represent.

Question 3: Using mathematical notation, explain the goal of supervised learning.

**Question 4:** What do we call the different functional forms in supervised learning and what are some different examples?

**Question 5:** Explain what parameters are? How does the choice of parameters affect the model performance?

**Question 6:** Explain the following assumption we might make about the relationship between our feature and target.

$$y = \alpha + \beta x_1$$

**Question 7:** We might model this assumed relationship with the following model. Why is it different to the above?

$$y^{(i)} = lpha + eta x_1^{(i)} + arepsilon^{(i)}$$

**Question 8:** If  $\alpha=0.4$  and  $\beta=2$ , draw a rough graph which includes 20 points and the linear regression we would hope to fit through this.

Question 9: [You may use a calculator or the internet to help solve this]. If  $\alpha=0.4$  and  $\beta=2$ , answer the following questions.

- What is my predicted y ( $\hat{y}$ ) when  $x_1 = 14$ ?
- Describe the relationship between  $x_1$  and y?
- When  $x_1 = 0$ , what is the predicted y?

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**Question 9:** A student uses a linear regression model to estimate the effects of education  $(edu_i)$  and work experience  $(exp_i)$  on future wages  $(wage_i)$ . They train their model on 100,000 people and get the following function. Note that wages are measures in thousands of US dollars (\$), education is measured in years and work experience also in years.

$$\hat{\text{wage}}^{(i)} = 10 + 1.2 \text{edu}^{(i)} + 0.8 \text{exp}^{(i)}$$

Assuming that the relationship is casual, answer the following questions.

- 1. What wage would our model predict for someone with 10 years eduction and 20 years work experience? (2 marks)
- 2. How should we interpret the 1.2 in front of the  $\mathrm{edu}_i$  variable? (2 marks)
- 3. How should we interpret the 10? (1 mark)

**Question 10 [Extension]:** Consider the following fitted linear regression which details the relationship between education and wages.

$$\hat{\mathrm{wage}}^{(i)} = 10 + 1.2\mathrm{edu}^{(i)} - 0.2\mathrm{edu}^{(i)^2}$$

- 1. What do you notice about this regression which is different to the regression before?
- 2. What does this imply about the assumed relationship between education and wage
- 3. If the education is 1, what is the predicted wage?
- 4. If the education is 10, what is the predicted wage?
- 5. Plot a graph showing the implied relationship between education and wages.