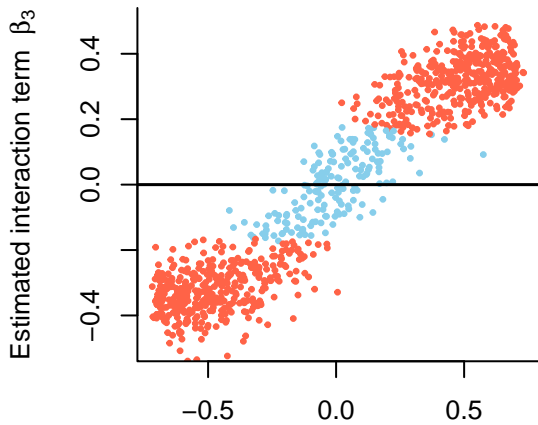


Fitted model

$$y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_1 x_2$$

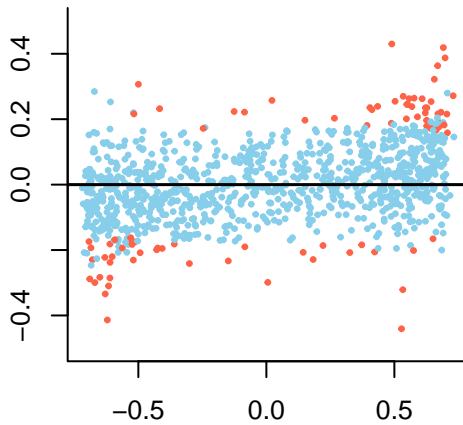
a



Fitted model

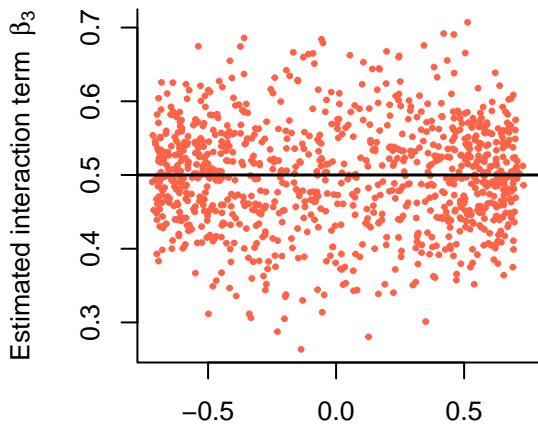
$$y = \beta_0 + s(x_1) + s(x_2) + \beta_3 x_1 x_2$$

b



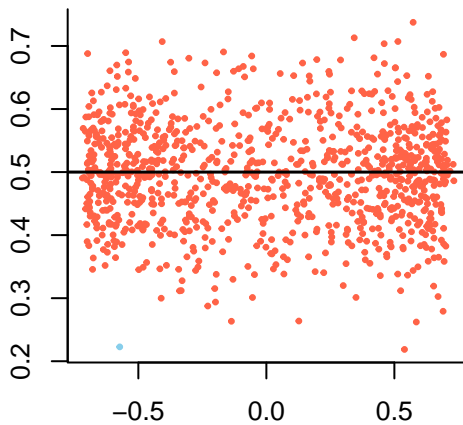
Generating model
 $y = x_1 + 0.5x_2 + 0.5x_1x_1$

c



Correlation between x_1 and x_2

d



Correlation between x_1 and x_2

Generating model
 $y = x_1 + 0.5x_2 + 0.5x_1x_2$