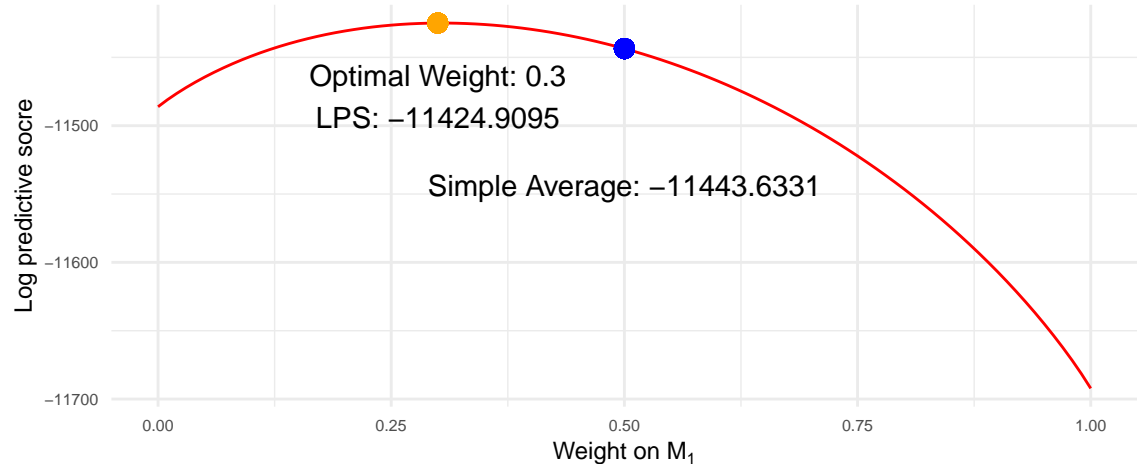


## Case 2 – density combination of M1 and M2



$N = 10000$ ,  $\beta_1=1$ ,  $\beta_2=2$ ,  $\text{var}(X_1)=2$ ,  $\text{var}(X_2)=1$ ,  $\text{cov}(X_1, X_2)=0.3$