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Date: 20.8.20

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Subject: CS

Ans1 There are 4 predictors present  $x_1, x_2, x_3$  and  $x_4$ .

The equation of the regression model are:

$$Y = -55.9 + 0.0105x_1 - 0.107x_2 + 0.579x_3 - 0.970x_4$$

~~Let's start with the interpretation~~

The strength of the model is strong as there is strong evidence to indicate that at least one of number of  $x_1, x_2, x_3$  and  $x_4$  help explain it as (p-value = 0) and  $R\text{-Sq} = 80.2\%$  and  $R\text{-Sq (Adj)} = 78.7\%$ .

The strength of the predictors  $x_3$  and  $x_4$  are strong and  $x_1$  and  $x_2$  are slight weak as p-value is greater than 0.

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Ans 2

The  $R^2 \rightarrow 0.69$  is 69% of the variation in the housing price is explained by all the independent variables.

At 5% LOS, the model is useful for predictions

$$H_0: \beta_1 = \beta_2 = \beta_3 = \beta_4 = \beta_5 = \beta_6 = \beta_7 = 0$$

vs

$$H_1: \text{Not } H_0$$

In Anova Table  $F = 25.5631$ ,

At 5% LOS, there is enough evidence to conclude that atleast one of the predictor is useful for predicting housing price

The regression equation is:

$$\hat{y} = 420162.5 + 179772.3x_1 + 22359.91x_2 - 94113.1x_3 + 340047.7x_4 + 257387.9x_5 - 22249.7x_6 + 79672.97x_7 - 2251.09x_8$$