Linear Regression:
T-test

Overview

- Linear Data

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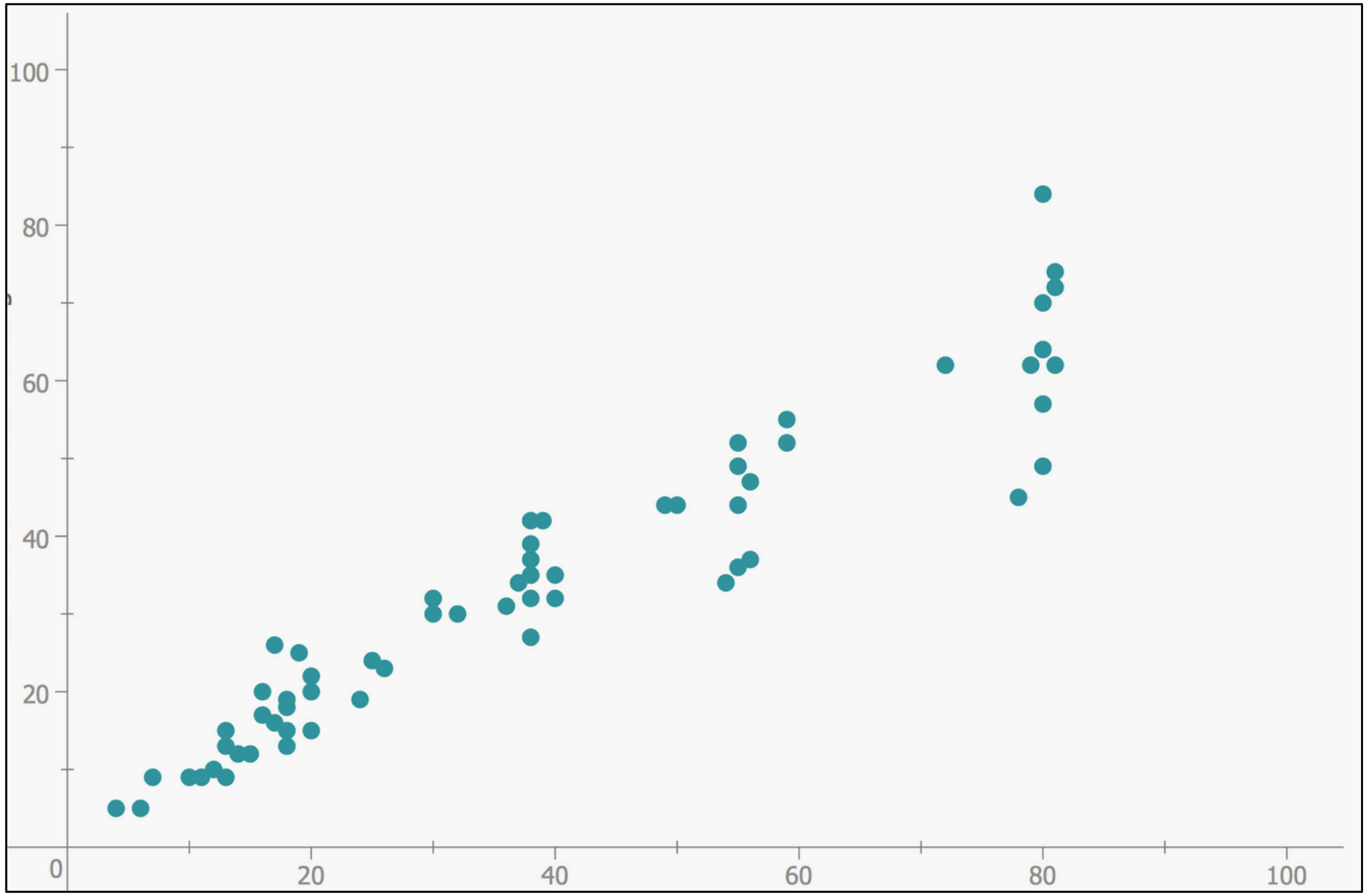

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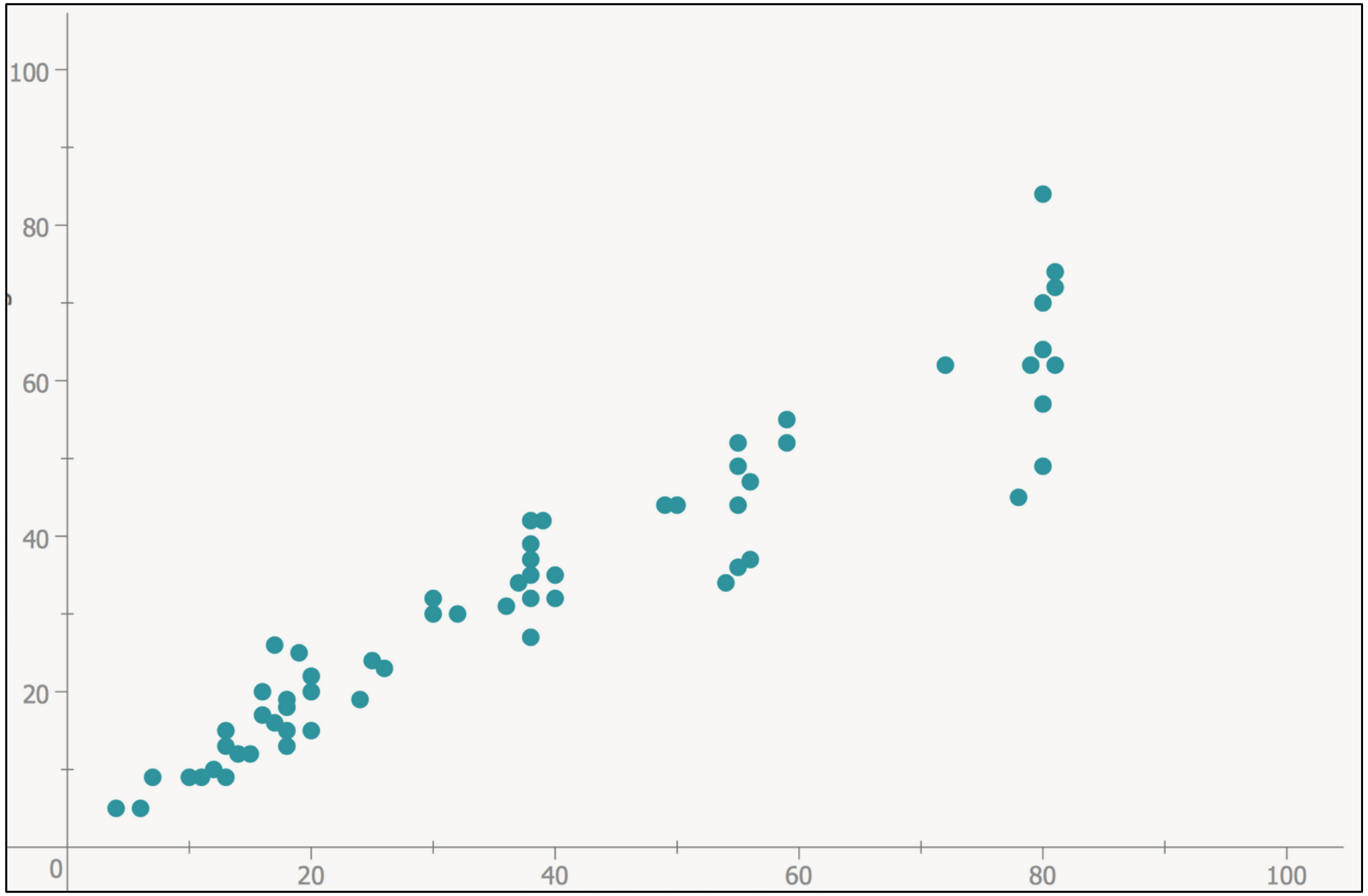

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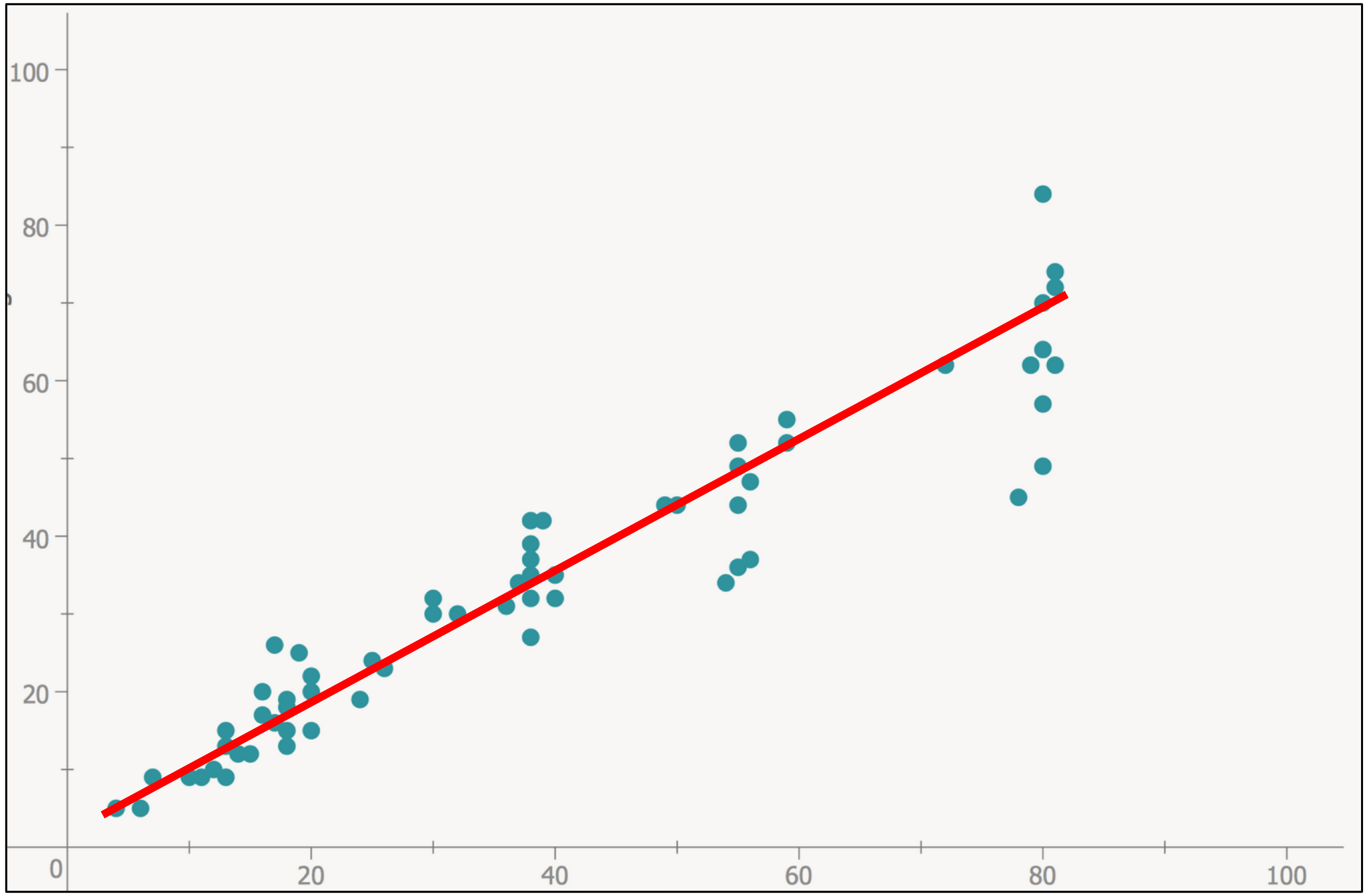

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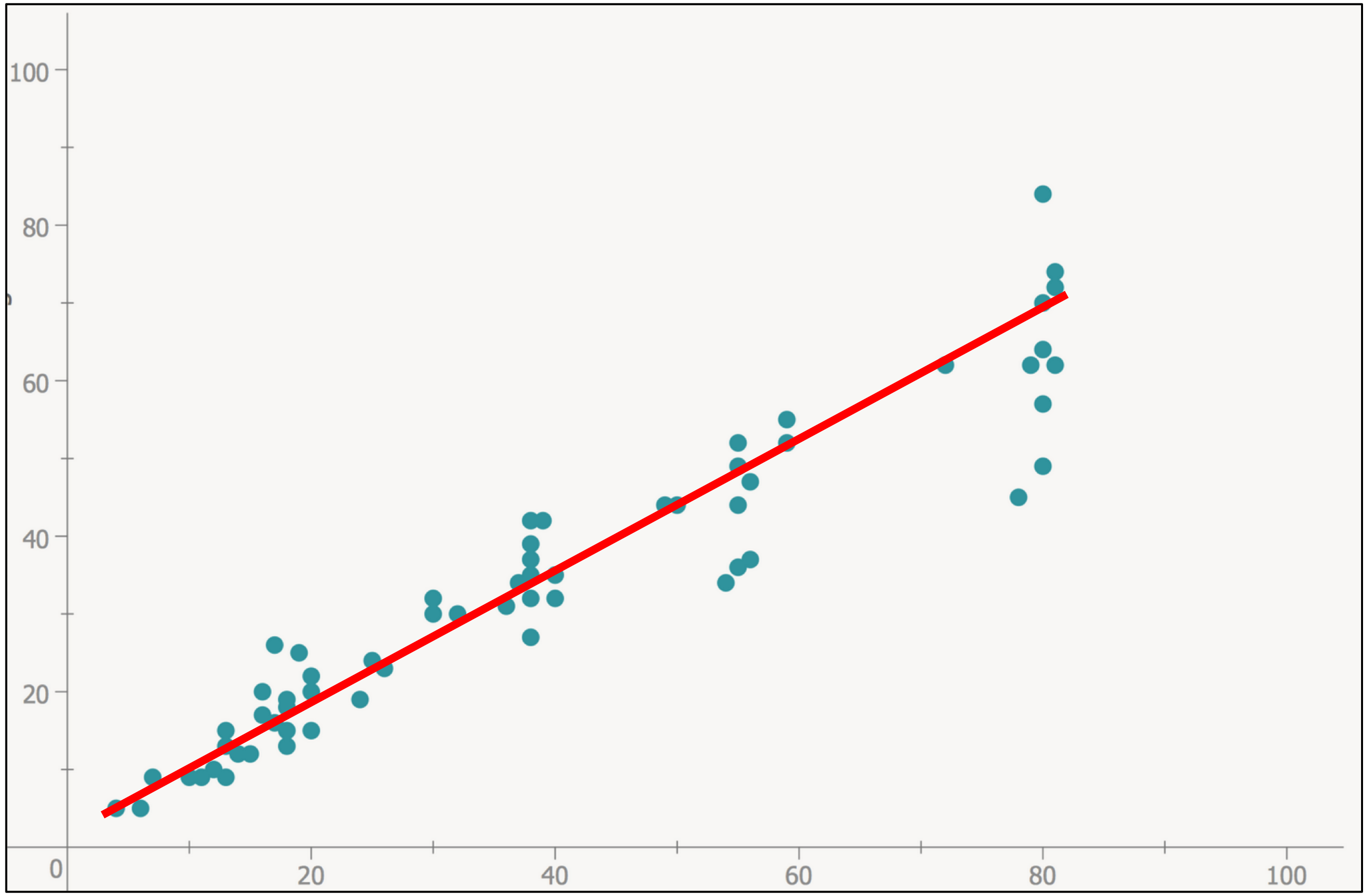
But how do we formally test?



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- H_0: $\beta_1 = 0$
- H_a: $\beta_1 \neq 0$

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In other words, $\beta_1 = 0$ is not in our confidence interval!