Exercise 3.4 Bayes Regression

Instructions: You may discuss this assignment with other students in the class, but you must submit your own answers to the questions below. Include an honor pledge with your submission. Submit online and in PDF. This exercise is ungraded.

1. Look at Figure 12.1 on page 593 of the book by Theodoridis. Explain how the graph will change if $\sigma_{\eta}=0.05, N=500$, and $\sigma_{\theta}=0.15$.