Step 1: Forward Propagation

1. Compute Hidden Layer Input:

$$z1 = (0.05 * 0.15) + (0.10 * 0.20) + 0.35 = 0.3775$$

 $z2 = (0.05 * 0.25) + (0.10 * 0.30) + 0.35 = 0.3925$

2. Compute Hidden Layer Output (Sigmoid):

$$h1 = 1 / (1 + e^{-0.3775}) = 0.59327$$

 $h2 = 1 / (1 + e^{-0.3925}) = 0.59688$

3. Compute Output Layer Input:

$$01 = (0.59327 * 0.40) + (0.59688 * 0.45) + 0.60 = 1.106$$

 $02 = (0.59327 * 0.50) + (0.59688 * 0.55) + 0.60 = 1.225$

4. Compute Output Layer Output (Sigmoid):

$$y1' = 1 / (1 + e^{-1.106}) = 0.75136$$

 $y2' = 1 / (1 + e^{-1.225}) = 0.77292$

Step 2: Compute Error

Error1 =
$$0.5 * (0.01 - 0.75136)^2 = 0.2748$$

Error2 = $0.5 * (0.99 - 0.77292)^2 = 0.0235$
Total Error = 0.2983

Step 3: Backpropagation

1. Compute Output Layer Gradients:

$$delta_01 = (0.75136 - 0.01) * (0.75136 * (1 - 0.75136)) = 0.1384$$

 $delta_02 = (0.77292 - 0.99) * (0.77292 * (1 - 0.77292)) = -0.0378$

2. Compute Hidden Layer Gradients:

$$delta_h1 = ((0.1384 * 0.40) + (-0.0378 * 0.50)) * (0.59327 * (1 - 0.59327)) = 0.00884$$

$$delta_h2 = ((0.1384 * 0.45) + (-0.0378 * 0.55)) * (0.59688 * (1 - 0.59688)) = 0.00998$$

3. Update Weights:

Repeat until the error is minimized.