

**Homework 2**

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STAT GR5205: Linear Regression Models

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**Question 1** Supposed for  $\mathbf{x}, \mathbf{y}, \boldsymbol{\epsilon}, \mathbf{1} \in \mathbb{R}^n$ , where  $\mathbf{x}, \mathbf{1}$  are *fixed* vectors and  $\mathbf{y}, \boldsymbol{\epsilon}$  are *random* vectors, the simple linear regression model

$$\mathbf{y} = \beta_0 \mathbf{1} + \beta_1 \mathbf{x} + \boldsymbol{\epsilon}$$

holds, with  $\mathbb{E}[\boldsymbol{\epsilon}] = \mathbf{0}$ ,  $\text{Var}[\boldsymbol{\epsilon}] = \sigma^2 \mathbf{I}$ , and  $\mathbb{E}[\mathbf{y}] = \mathbb{E}[\beta_0 \mathbf{1} + \beta_1 \mathbf{x} + \boldsymbol{\epsilon}] = \beta_0 \mathbf{1} + \beta_1 \mathbf{x}$ . The least-squares estimators are given by

$$\hat{\beta}_1 = \frac{(\mathbf{x} - \bar{x}\mathbf{1})^T(\mathbf{y} - \bar{y}\mathbf{1})}{\|\mathbf{x} - \bar{x}\mathbf{1}\|^2}, \quad \hat{\beta}_0 = \bar{y} - \hat{\beta}_1 \bar{x}, \quad \text{and} \quad \hat{\sigma}^2 = \frac{1}{n-2} \left\| \mathbf{y} - \hat{\beta}_0 \mathbf{1} - \hat{\beta}_1 \mathbf{x} \right\|^2.$$

(a) We first show that

**Question 2**