



BRIEF REPORT: (POINT-WISE)

- 1). The question "How good is a forecast?" comprises two separate aspects: firstly, measuring predictive accuracy per se; secondly, comparing various forecasting models. For example, if a variable is almost unpredictable, all forecasts are likely to be poor. Yet, a forecaster may still look for the best forecast among the poor ones.
- 2). In simple linear regression, we predict scores on one variable from the scores on a second variable. The variable we are predicting is called the *criterion variable* and is referred to as Y. The variable we are basing our predictions on is called the *predictor variable* and is referred to as X. When there is only one predictor variable, the prediction method is called *simple regression*. In simple linear regression, the topic of this section, the predictions of Y when plotted as a function of X form a straight line.