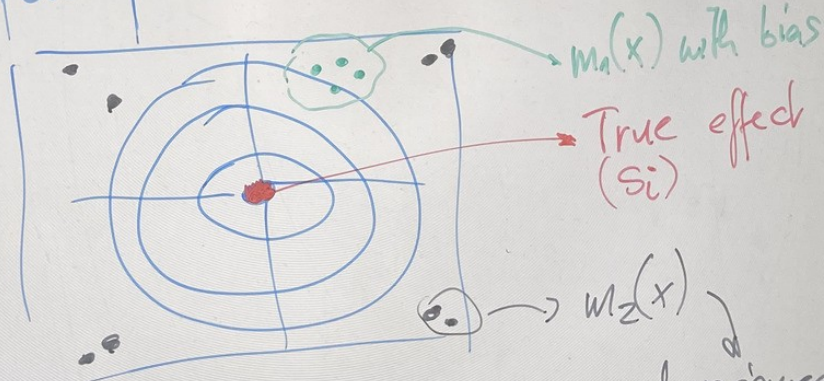


□ Systematic Approach to select predictors: (7)
Model Selection

- Including predictors which are not associated with response, they lead to increased variation in estimates of other predictors (for example: include Rand Pred into model changed estimate of intercept and BC)

⇒ Bias-Variance-Tradeoff

- Too few predictors lead to bias in estimates



Too many predictors ⇒ increased variance of estimates