c) Your friend claims their objective can be even more effective if ε is chosen more carefully. Explain how.

If ε is chosen to be the actual irreducible error, then $|R(g) - \varepsilon| + \varepsilon$ correctly reflects error due to bias and variance. Tuning ε can yield a better bias/variance balance. Decreasing ε can lead to lower bias but higher variance while increasing ε will do the opposite. Time to find the best balance!