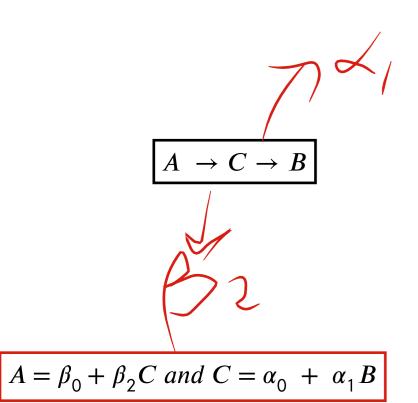
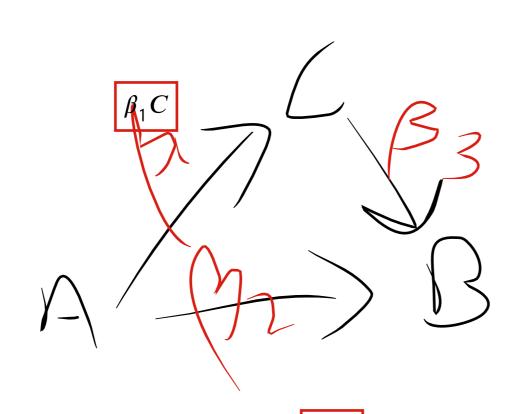
Standardising: $\frac{x_i - \overline{x}}{sd_x}$ Centering: $x_i - \overline{x}$

$$sales_i = 869.693 + 9.871 \ int_i + 41.4 \ ext_i + 0.276 \ int_i \cdot ext_i$$

$$= (869.693 + 41.4 \ ext_i) + (9.871 + 0.276 \ ext_i) \ int_i$$

$$= (869.693 + 9.871 \ int_i) + (41.4 + 0.276 \ int_i) \ ext_i$$





 $\beta_3 C \cdot B$

 $\beta_2 B$

 $A = \beta_0 + \beta_1 C + \beta_2 B + \beta_3 C \cdot B$

Total SS:
$$\sum_{i} (y_i - \overline{y})^2 = Error SS + Reg SS$$

Error or Residual SS: $\sum_{i} ((y_i - \overline{y}) - (\hat{y}_i - \overline{y}))^2 = \sum_{i} (y_i - \hat{y}_i)^2$

Regression $SS: \sum_{i} (\hat{y}_i - \overline{y})^2$

homoskedasticity = homogeneity of variance

$$Y_i = \beta_0 + \beta_1 X_1 + \dots + \beta_p X_p + \varepsilon_i \sim N(\mu, \sigma^2)$$
$$i = 1, \dots, n$$

 $Cor(\varepsilon_i, \varepsilon_j) = 0$ uncorrelated serial error terms

$$Cor\left(\varepsilon_{i}, \varepsilon_{i}\right) = Var(\varepsilon_{i}) = \sigma^{2} \text{ all have the same variance } = \text{homoskedasticity}$$

$$\varepsilon_{i} \sim N(0, \sigma^{2}) \text{ for all } i = 1, ..., n$$

$$df_{total} = df_{between} + df_{error}$$
$$n - 1 = (G - 1) + (n - G)$$

One – way ANOVA: measures the ratio between between group variance to the within group variance

$$F = \frac{MS_{between}}{MS_{within}}$$

$$\hat{y} = \overline{y}_4 + (\overline{y}_1 - \overline{y}_4)D_1 + (\overline{y}_2 - \overline{y}_4)D_2 + (\overline{y}_3 - \overline{y}_4)D_3$$

