Rasmussen p. 113:

maximize eq. (5.8)

→ C_y needed.

observations: $y = \beta \cdot \rho \cdot u + d + e$

$\beta \rho (0, C_d)$ ~ $\mathcal{N}(0, \sigma_e^2)$

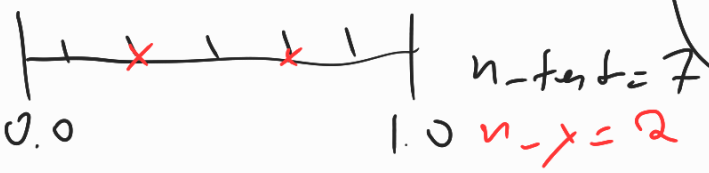
number of obs.: n_y

$\beta \rho (\bar{u}, C_u)$

→ $C_y = \beta^2 \cdot C_u + C_d + C_e$

$[n_{test} \times n_{test}]$ $[n_y \times n_y]$ $[n_y \times n_y]$

?



what do I have to do with C_u?