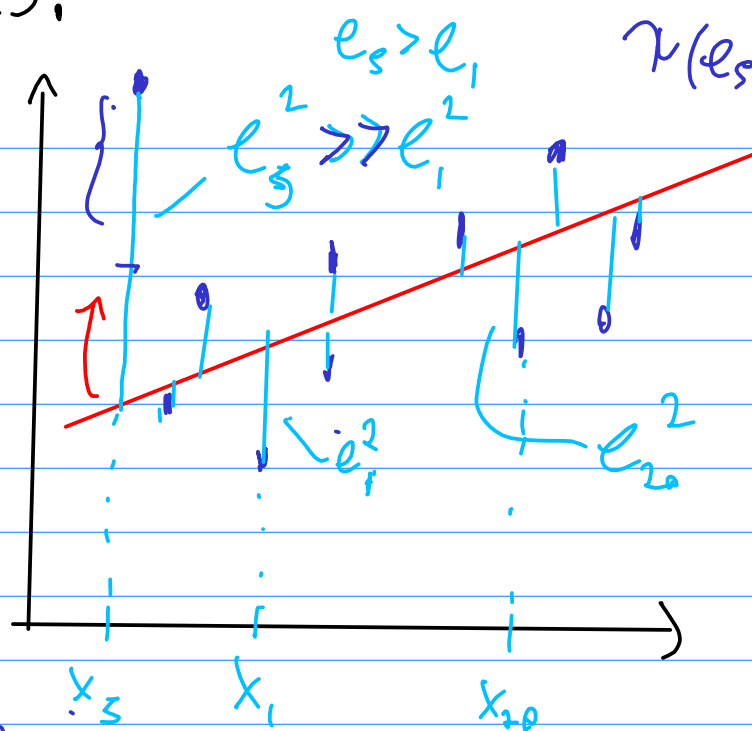


OLS:



$$\psi(e_3) > \psi(e_1)$$

$$MSE = \frac{1}{n} \sum_{i=1}^n e_i^2$$

minimize
MSE
for OLS
regression

$$\psi_{reg} = \frac{1}{n} \sum_{i=1}^n \psi(e_i)$$