deterministic model:

$$Y = f(x)$$

Non-deterministic model:

$$Y = f(x) + \varepsilon, \quad \varepsilon \perp\!\!\!\perp X$$
$$E(\varepsilon) = 0$$

We do <u>not</u> assume a deterministic model,
but add an error term which captures:

- measurement errors

- effects of non-measured ~~errors~~ variables

- ...