

# ADJUSTED $R^2$

Intuition: Once all the correct features have been added, additional features should be penalized.

$$\hat{R}^2 = 1 - \frac{\overset{\text{Residual Sum of Squares}}{\text{RSS}} / \left( \overset{\text{Number of Features}}{n - d - 1} \right)}{\underset{\text{Total Sum of Squares}}{\text{TSS}} / \left( \underset{\text{Number of Observations}}{n - 1} \right)}$$

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