Minimisation Of Errors

calculates the sum of squared errors.

- We want to minimise this term with respect to .

- The solution is:

$$\|\boldsymbol{y} - \boldsymbol{X\beta}\|^2$$

β

$$\hat{\beta} = (\boldsymbol{X}^\top \boldsymbol{X})^{-1} \boldsymbol{X}^\top y$$

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Linear Regression Line