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April 2018

1 ANSWER TO (5)

Generally the dimensionality of the problem is equal to the number of inputs, which is 14

2 ANSWER TO (6)

The optimal value of lambda is 0.00137. The in-sample RMSE is 0.1428069. The out-of-sample RMSE is 0.1796624.

3 ANSWER TO (7)

The optimal value of lambda is 0.0459. The in-sample RMSE is 0.1427833. The out-of-sample RMSE is 0.1578589.

4 ANSWER TO (8)

The optimal value of lambda is 0.000479. The optimal value of alpha=0.578. The in-sample RMSE is 0.1406459. The out-of-sample RMSE is 0.1813920. The optimal value for alpha found in the net elastic model is closer to the value found in the ridge regression.