

• In summation notation

$$\hat{\beta} = \frac{\sum x_i y_i}{\sum x_i^2}, \quad SE(\hat{\beta}) = \sqrt{\frac{\sum (y_i - x_i \hat{\beta})^2}{(n-1) \sum x_i^2}}$$

$$t\text{-statistic} = \frac{\hat{\beta}}{SE(\hat{\beta})} = \frac{\hat{\beta} \sqrt{n-1} \sqrt{\sum x_i^2}}{\sqrt{\sum (y_i - x_i \hat{\beta})^2}}$$

$$= \frac{\sqrt{n-1} \sqrt{\sum x_i^2}}{\sqrt{\sum \frac{(y_i - \hat{\beta} x_i)^2}{\hat{\beta}^2}}} = \frac{\sqrt{n-1} \sqrt{\sum x_i^2}}{\sqrt{\sum y_i^2 \frac{1}{\hat{\beta}^2} - 2 \frac{1}{\hat{\beta}} \sum x_i y_i + \sum x_i^2}}$$

$$= \frac{\sqrt{n-1} \sqrt{\sum x_i^2}}{\sqrt{\frac{\sum y_i^2 (\sum x_i^2)^2}{(\sum x_i y_i)^2} - \sum x_i^2}}$$

$$= \frac{\sqrt{n-1} \sqrt{\sum x_i^2}}{\sqrt{\frac{\sum x_i^2}{(\sum x_i y_i)^2} [\sum y_i^2 \sum x_i^2 - (\sum x_i y_i)^2]}} = \frac{\sqrt{n-1} \sum x_i y_i}{\sqrt{\sum x_i^2 \sum y_i^2 - (\sum x_i y_i)^2}}$$

• In vector notation

$$\hat{\beta} = \frac{x^T y}{x^T x}, \quad SE(\hat{\beta}) = \frac{\sqrt{(y - \hat{\beta} x)^T (y - \hat{\beta} x)}}{\sqrt{n-1} \sqrt{x^T x}}$$

$$t\text{-statistic} = \frac{\hat{\beta}}{SE(\hat{\beta})} = \frac{\hat{\beta} \sqrt{n-1} \sqrt{x^T x}}{\sqrt{(y - \hat{\beta} x)^T (y - \hat{\beta} x)}} = \frac{\sqrt{n-1} \sqrt{x^T x}}{\sqrt{\left(\frac{y}{\hat{\beta}} - x\right)^T \left(\frac{y}{\hat{\beta}} - x\right)}}$$

$$= \frac{\sqrt{n-1} \sqrt{x^T x}}{\sqrt{\frac{y^T y}{\hat{\beta}^2} - \frac{y^T x}{\hat{\beta}} - \frac{x^T y}{\hat{\beta}} + x^T x}} = \frac{\sqrt{n-1} \sqrt{x^T x}}{\sqrt{\frac{y^T y}{\hat{\beta}^2} - 2 \frac{x^T y}{\hat{\beta}} + x^T x}}$$

$$= \frac{\sqrt{n-1} \sqrt{x^T x}}{\sqrt{\frac{y^T y}{\hat{\beta}^2} - x^T x}} = \frac{\sqrt{n-1} \sqrt{x^T x}}{\sqrt{\frac{y^T y (x^T x)^2}{(x^T y)^2} - x^T x}} = \frac{\sqrt{n-1} \sqrt{x^T x}}{\sqrt{\frac{x^T x}{(x^T y)^2} [(y^T y)(x^T x) - (x^T y)^2]}}$$

= A