

DSE6011 - Module 2 - Ch 3 HW

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2024-07-14

```
library(tidyverse)

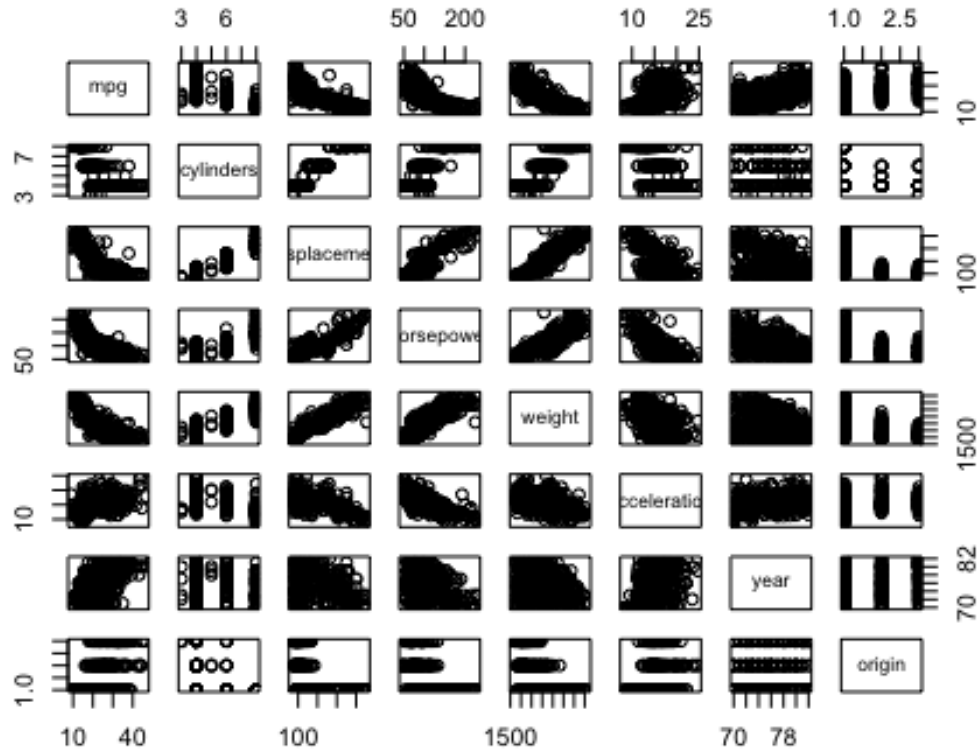
## — Attaching core tidyverse packages — tidyverse
2.0.0 —
## ✓ dplyr      1.1.4      ✓ readr      2.1.5
## ✓ forcats   1.0.0      ✓ stringr    1.5.1
## ✓ ggplot2    3.5.0      ✓ tibble     3.2.1
## ✓ lubridate 1.9.3      ✓ tidyr      1.3.1
## ✓ purrr     1.0.2
## — Conflicts —
tidyverse_conflicts() —
## ✗ dplyr::filter() masks stats::filter()
## ✗ dplyr::lag()     masks stats::lag()
## i Use the conflicted package (<http://conflicted.r-lib.org/>) to force all
conflicts to become errors
```

Exercise 9

a) Produce a scatterplot matrix which includes all of the variables in the data set.

```
auto_data <- read.table("Auto.data", header = TRUE, sep = "", na.strings =
"?")
auto_data <- na.omit(auto_data)

pairs(auto_data[1:8])
```



- b) Compute the matrix of correlations between the variables using the function `cor()`.
You will need to exclude the name variable, which is qualitative.

```
cor(auto_data[1:8])
```

```
##           mpg  cylinders displacement horsepower      weight
## mpg      1.000000 -0.7776175   -0.8051269 -0.7784268 -0.8322442
## cylinders -0.7776175  1.0000000    0.9508233  0.8429834  0.8975273
## displacement -0.8051269  0.9508233    1.0000000  0.8972570  0.9329944
## horsepower  -0.7784268  0.8429834    0.8972570  1.0000000  0.8645377
## weight     -0.8322442  0.8975273    0.9329944  0.8645377  1.0000000
## acceleration  0.4233285 -0.5046834   -0.5438005 -0.6891955 -0.4168392
## year       0.5805410 -0.3456474   -0.3698552 -0.4163615 -0.3091199
## origin     0.5652088 -0.5689316   -0.6145351 -0.4551715 -0.5850054
##           acceleration      year      origin
## mpg      0.4233285  0.5805410  0.5652088
## cylinders -0.5046834 -0.3456474 -0.5689316
## displacement -0.5438005 -0.3698552 -0.6145351
## horsepower  -0.6891955 -0.4163615 -0.4551715
## weight     -0.4168392 -0.3091199 -0.5850054
## acceleration  1.0000000  0.2903161  0.2127458
## year       0.2903161  1.0000000  0.1815277
## origin     0.2127458  0.1815277  1.0000000
```

- c) Use the `lm()` function to perform a multiple linear regression with `mpg` as the response and all other variables except `name` as the predictors. Use the `summary()` function to print the results. Comment on the output. For instance:
 - i. Is there a relationship between the predictors and the response?
 - ii. Which predictors appear to have a statistically significant relationship to the response?
 - iii. What does the coefficient for the `year` variable suggest?

```
mpg_regression <- lm(mpg ~ cylinders + displacement + horsepower + weight +
acceleration + year + origin, data = auto_data)
```

```
summary(mpg_regression)
```

```
##
## Call:
## lm(formula = mpg ~ cylinders + displacement + horsepower + weight +
##     acceleration + year + origin, data = auto_data)
##
## Residuals:
```

	Min	1Q	Median	3Q	Max
	-9.5903	-2.1565	-0.1169	1.8690	13.0604

```
##
## Coefficients:
```

	Estimate	Std. Error	t value	Pr(> t)	
(Intercept)	-17.218435	4.644294	-3.707	0.00024	***
cylinders	-0.493376	0.323282	-1.526	0.12780	
displacement	0.019896	0.007515	2.647	0.00844	**
horsepower	-0.016951	0.013787	-1.230	0.21963	
weight	-0.006474	0.000652	-9.929	< 2e-16	***
acceleration	0.080576	0.098845	0.815	0.41548	
year	0.750773	0.050973	14.729	< 2e-16	***
origin	1.426141	0.278136	5.127	4.67e-07	***

```
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 3.328 on 384 degrees of freedom
## Multiple R-squared:  0.8215, Adjusted R-squared:  0.8182
## F-statistic: 252.4 on 7 and 384 DF,  p-value: < 2.2e-16
```

From this linear model of `mpg` regressed on all other variables in the `auto` data, we can see that the predictors of `displacement`, `weight`, `year` and `origin` are all statistically significant with p-values less than 0.05. All variables other than `cylinders`, `horsepower` and `weight` all show a negative relationship with `mpg`, which makes sense as these variables can be known to be trade-offs to higher `mpg`. The `'year'` variable stands out showing a strong positive relationship with fuel efficiency which shows the growth in automobile engineering over the years.

- d) Use the `*` and `:` symbols to fit linear regression models with interaction effects. Do any interactions appear to be statistically significant?

```
mpg_interactive <- lm(mpg ~ (cylinders + displacement + horsepower + weight +  
acceleration + year + origin)^2, data = auto_data)
```

```
summary(mpg_interactive)
```

```
##  
## Call:  
## lm(formula = mpg ~ (cylinders + displacement + horsepower + weight +  
##   acceleration + year + origin)^2, data = auto_data)  
##  
## Residuals:  
##      Min       1Q   Median       3Q      Max   
## -7.6303 -1.4481  0.0596  1.2739 11.1386   
##  
## Coefficients:  
##              Estimate Std. Error t value Pr(>|t|)      
## (Intercept)   3.548e+01  5.314e+01   0.668  0.50475      
## cylinders      6.989e+00  8.248e+00   0.847  0.39738      
## displacement  -4.785e-01  1.894e-01  -2.527  0.01192 *    
## horsepower     5.034e-01  3.470e-01   1.451  0.14769      
## weight         4.133e-03  1.759e-02   0.235  0.81442      
## acceleration  -5.859e+00  2.174e+00  -2.696  0.00735 **   
## year          6.974e-01  6.097e-01   1.144  0.25340      
## origin        -2.090e+01  7.097e+00  -2.944  0.00345 **   
## cylinders:displacement -3.383e-03  6.455e-03  -0.524  0.60051      
## cylinders:horsepower  1.161e-02  2.420e-02   0.480  0.63157      
## cylinders:weight     3.575e-04  8.955e-04   0.399  0.69000      
## cylinders:acceleration 2.779e-01  1.664e-01   1.670  0.09584 .    
## cylinders:year      -1.741e-01  9.714e-02  -1.793  0.07389 .    
## cylinders:origin     4.022e-01  4.926e-01   0.816  0.41482      
## displacement:horsepower -8.491e-05  2.885e-04  -0.294  0.76867      
## displacement:weight   2.472e-05  1.470e-05   1.682  0.09342 .    
## displacement:acceleration -3.479e-03  3.342e-03  -1.041  0.29853      
## displacement:year     5.934e-03  2.391e-03   2.482  0.01352 *    
## displacement:origin   2.398e-02  1.947e-02   1.232  0.21875      
## horsepower:weight    -1.968e-05  2.924e-05  -0.673  0.50124      
## horsepower:acceleration -7.213e-03  3.719e-03  -1.939  0.05325 .    
## horsepower:year      -5.838e-03  3.938e-03  -1.482  0.13916      
## horsepower:origin     2.233e-03  2.930e-02   0.076  0.93931      
## weight:acceleration   2.346e-04  2.289e-04   1.025  0.30596      
## weight:year          -2.245e-04  2.127e-04  -1.056  0.29182      
## weight:origin        -5.789e-04  1.591e-03  -0.364  0.71623      
## acceleration:year     5.562e-02  2.558e-02   2.174  0.03033 *    
## acceleration:origin   4.583e-01  1.567e-01   2.926  0.00365 **   
## year:origin          1.393e-01  7.399e-02   1.882  0.06062 .    
## ---  
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1  
##  
## Residual standard error: 2.695 on 363 degrees of freedom
```

```
## Multiple R-squared:  0.8893, Adjusted R-squared:  0.8808
## F-statistic: 104.2 on 28 and 363 DF,  p-value: < 2.2e-16
```

From this linear model summary the following terms of 'displacement:year', 'acceleration:year', and 'acceleration:origin' appear to be statistically significant with p-values less than 0.05. In the case for displacement, the positive coefficient of 0.005934 indicates that as year increases, the effect that displacement has on mpg becomes more significant.

- f) Try a few different transformations of the variables, such as $\log(X)$, \sqrt{X} , X^2 . Comment on your findings.

```
log_model <- lm(mpg ~ log(cylinders) + log(displacement) + log(horsepower) +
log(weight) +
                log(acceleration) + log(year) + log(origin), data =
auto_data)

summary(log_model)

##
## Call:
## lm(formula = mpg ~ log(cylinders) + log(displacement) + log(horsepower) +
##     log(weight) + log(acceleration) + log(year) + log(origin),
##     data = auto_data)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -9.5987 -1.8172 -0.0181  1.5906 12.8132
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)   -66.5643    17.5053  -3.803 0.000167 ***
## log(cylinders)    1.4818     1.6589   0.893 0.372273
## log(displacement) -1.0551     1.5385  -0.686 0.493230
## log(horsepower)  -6.9657     1.5569  -4.474 1.01e-05 ***
## log(weight)     -12.5728     2.2251  -5.650 3.12e-08 ***
## log(acceleration) -4.9831     1.6078  -3.099 0.002082 **
## log(year)       54.9857     3.5555  15.465 < 2e-16 ***
## log(origin)      1.5822     0.5083   3.113 0.001991 **
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 3.069 on 384 degrees of freedom
## Multiple R-squared:  0.8482, Adjusted R-squared:  0.8454
## F-statistic: 306.5 on 7 and 384 DF,  p-value: < 2.2e-16
```

In the case of $\log(x)$ of the variables in the auto dataset, an R-squared of 0.8482 indicates that ~84.82 of the variance in mpg can be explained by the predictors in the model. Intercept of -66.5643 indicates the estimated mpg when all predictors are zero. A residual

standard error of 3.069 indicates the average deviation of the observed values from the values of the fitted line.

```
sqrt_model <- lm(mpg ~ sqrt(cylinders) + sqrt(displacement) +
sqrt(horsepower) + sqrt(weight) + sqrt(acceleration) + sqrt(year) +
sqrt(origin), data = auto_data)

summary(sqrt_model)

##
## Call:
## lm(formula = mpg ~ sqrt(cylinders) + sqrt(displacement) + sqrt(horsepower)
+
##      sqrt(weight) + sqrt(acceleration) + sqrt(year) + sqrt(origin),
##      data = auto_data)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -9.5250 -1.9822 -0.1111  1.7347 13.0681
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)   -49.79814     9.17832   -5.426 1.02e-07 ***
## sqrt(cylinders)   -0.23699     1.53753   -0.154  0.8776
## sqrt(displacement)  0.22580     0.22940    0.984  0.3256
## sqrt(horsepower)  -0.77976     0.30788   -2.533  0.0117 *
## sqrt(weight)     -0.62172     0.07898  -7.872 3.59e-14 ***
## sqrt(acceleration) -0.82529     0.83443   -0.989  0.3233
## sqrt(year)       12.79030     0.85891   14.891 < 2e-16 ***
## sqrt(origin)      3.26036     0.76767    4.247 2.72e-05 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 3.21 on 384 degrees of freedom
## Multiple R-squared:  0.8338, Adjusted R-squared:  0.8308
## F-statistic: 275.3 on 7 and 384 DF,  p-value: < 2.2e-16
```

In the case of \sqrt{x} of the variables in the auto dataset, an R-squared of 0.8308 indicates that ~83.08 of the variance in mpg can be explained by the predictors in the model. Intercept of -49.79814 indicates the estimated mpg when all predictors are zero. A residual standard error of 3.21 indicates the average deviation of the observed values from the values of the fitted line.

Exercise 10

a) Fit a multiple regression model to predict Sales using Price, Urban, and US.

```
carseats <- read.csv("Carseats.csv")

sales_model <- lm(Sales ~ Price + Urban + US, data = carseats)
```

```
summary(sales_model)

##
## Call:
## lm(formula = Sales ~ Price + Urban + US, data = carseats)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -6.9206 -1.6220 -0.0564  1.5786  7.0581
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept) 13.043469   0.651012  20.036 < 2e-16 ***
## Price       -0.054459   0.005242 -10.389 < 2e-16 ***
## UrbanYes    -0.021916   0.271650  -0.081  0.936
## USYes       1.200573    0.259042   4.635 4.86e-06 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 2.472 on 396 degrees of freedom
## Multiple R-squared:  0.2393, Adjusted R-squared:  0.2335
## F-statistic: 41.52 on 3 and 396 DF,  p-value: < 2.2e-16
```

- b) Provide an interpretation of each coefficient in the model. Be careful—some of the variables in the model are qualitative!

Intercept: When all predictors variables (Price, Urban, and US) are zero, the estimated Sales is 13.043469 units. The intercept is statistically significant with a p-value < 0.001 which indicates that if Price, Urban and US are zero, there is still a positive baseline Sales value.

Price: For each 1 unit increase in Price, Sales decrease by ~ -0.054459 units and a p-value < 0.001 shows statistical significance indicating that Price has a strong negative linear relationship with Sales.

Urban: This coefficient refers to the effect of being in an Urban (Urban = “Yes”) area compared to rural (Urban = “No”). A p-value of 0.936 shows non-significance between the variables and suggests that whether a store is located in an Urban area or not does not significantly impact Sales in this model.

US: This coefficient refers to the effect of being located in the US (US = “Yes”) compared to being located not in the US (US = “No”). A p-value < 0.001 shows statistical significance indicating that being in the US is associated with an increase of ~ 1.200573 units in Sales.

- c) Write out the model in equation form, being careful to handle the qualitative variables properly.

$$\text{Sales} = 13.043 + \text{Price}(-0.0544) + \text{Urban}(-0.0219) + \text{US}(1.201) + \text{error term}$$

d) For which of the predictors can you reject the null hypothesis $H_0: \beta_j = 0$?

We can reject the null hypothesis $H_0: \text{Beta}(\text{Price}) = 0$ and $H_0: \text{Beta}(\text{US}) = 0$ since their p-values are less than the significance level of 0.05 or 5%. We would fail to reject the null hypothesis $H_0: \text{Beta}(\text{Urban})$ because its p-value is much larger than 0.05 or 5%, which indicates that the variable does not have any statistically significant relationship with Sales.

e) On the basis of your response to the previous question, fit a smaller model that only uses the predictors for which there is evidence of association with the outcome.

```
small_carseats_model <- lm(Sales ~ Price + US, data = carseats)
```

```
summary(small_carseats_model)
```

```
##
## Call:
## lm(formula = Sales ~ Price + US, data = carseats)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -6.9269 -1.6286 -0.0574  1.5766  7.0515
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)  13.03079    0.63098   20.652 < 2e-16 ***
## Price        -0.05448    0.00523  -10.416 < 2e-16 ***
## USYes         1.19964    0.25846   4.641 4.71e-06 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 2.469 on 397 degrees of freedom
## Multiple R-squared:  0.2393, Adjusted R-squared:  0.2354
## F-statistic: 62.43 on 2 and 397 DF, p-value: < 2.2e-16
```

f) How well do the models in (a) and (e) fit the data?

When determining how well the models fit the data, it is useful to look at the R^2 and residual standard error values. The R^2 of 0.2393 in both models explains the ~23.93% of the variance in Sales, suggesting that ~23.93% of the variability in Sales can be explained by the predictors in both models, since the R^2 value is identical. The residual standard error indicates the average deviation of the observed Sales values from the predicted values by the model, and a value of 2.469 in model “e” and 2.472 in model “a” show that these values are very similar in both models. Model “e” having a slightly smaller standard residual error is evidence that model “e” fits the data better than model “a”.

g) Using the model from (e), obtain 95% confidence intervals for the coefficient(s).

```
confint(small_carseats_model, level = 0.95)
```

```
##              2.5 %      97.5 %
## (Intercept) 11.79032020 14.27126531
```



```
## Price      -0.06475984 -0.04419543
## USYes      0.69151957  1.70776632
```

h) Is there evidence of outliers or high leverage observations in the model from (e)?

The minimum residual of -6.9269 and maximum residual of 7.0515 are large values for residuals and could indicate that there may be outliers of observations that can heavily influence the fit of the line.

Exercise 14

a) The last line corresponds to creating a linear model in which y is a function of x1 and x2. Write out the form of the linear model. What are the regression coefficients?

```
set.seed(1)
x1 <- runif(100)
x2 <- 0.5 * x1 + rnorm(100) / 10
y <- 2 + 2 * x1 + 0.3 * x2 + rnorm(100)

y_model <- lm(y ~ x1 + x2)

summary(y_model)

##
## Call:
## lm(formula = y ~ x1 + x2)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -2.8311 -0.7273 -0.0537  0.6338  2.3359
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)   2.1305     0.2319   9.188 7.61e-15 ***
## x1             1.4396     0.7212   1.996  0.0487 *
## x2             1.0097     1.1337   0.891  0.3754
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.056 on 97 degrees of freedom
## Multiple R-squared:  0.2088, Adjusted R-squared:  0.1925
## F-statistic: 12.8 on 2 and 97 DF, p-value: 1.164e-05
```

The form of the linear model is: $y = \text{Beta}_0 + \text{Beta}_1(x1) + \text{Beta}_2(x2) + \text{error term}$

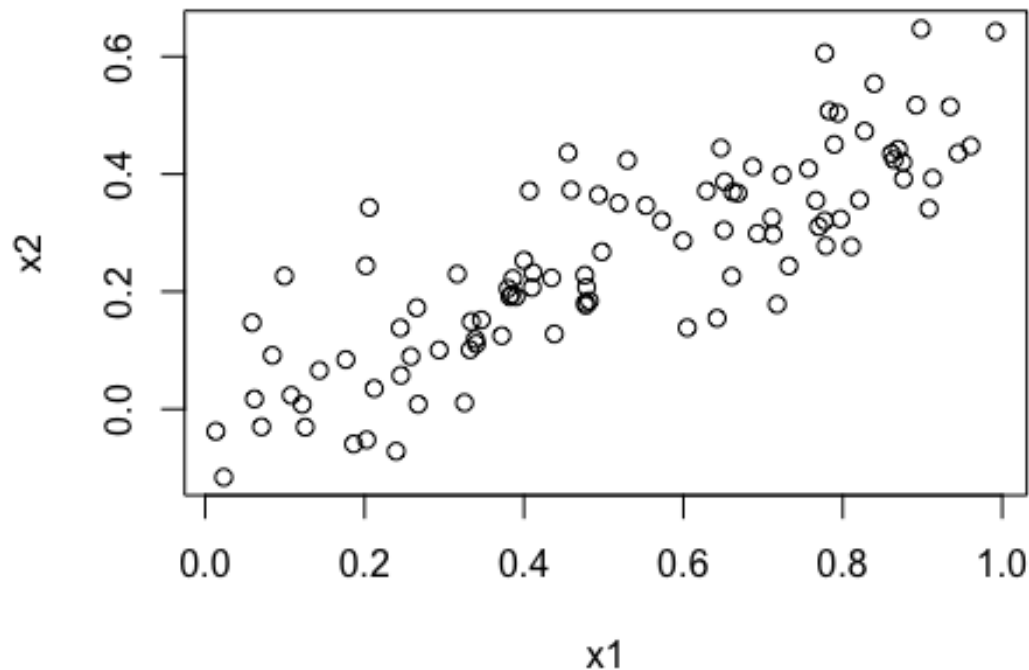
x1 coefficient = 1.4396 x2 coefficient = 1.0097

b) What is the correlation between x1 and x2? Create a scatterplot displaying the relationship between the variables.

```
cor(x1, x2)

## [1] 0.8351212
```

```
plot(x1, x2)
```



The correlation between x1 and x2 is 0.835 which is a strong positive correlation.

- c) Using this data, fit a least squares regression to predict y using x1 and x2. Describe the results obtained. What are $\hat{\beta}_0$, $\hat{\beta}_1$, and $\hat{\beta}_2$? How do these relate to the true β_0 , β_1 , and β_2 ? Can you reject the null hypothesis $H_0 : \beta_1 = 0$? How about the null hypothesis $H_0 : \beta_2 = 0$?

```
summary(y_model)
```

```
##
## Call:
## lm(formula = y ~ x1 + x2)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -2.8311 -0.7273 -0.0537  0.6338  2.3359
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)    2.1305     0.2319   9.188 7.61e-15 ***
## x1              1.4396     0.7212   1.996  0.0487 *
## x2              1.0097     1.1337   0.891  0.3754
```

```
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.056 on 97 degrees of freedom
## Multiple R-squared:  0.2088, Adjusted R-squared:  0.1925
## F-statistic: 12.8 on 2 and 97 DF, p-value: 1.164e-05
```

Predicted B_0 coefficient is ~ 2.13 compared to true term of 2. Predicted B_1 coefficient is ~ 1.43 compared to true term of 2. Predicted B_2 coefficient is ~ 1.0097 compared to true term of 0.3.

For $H_0: B_1 = 0$ (Null hypothesis for x_1), the p-value is 0.0487 is less than the significance level of 0.05 and so we reject the null hypothesis that x_1 is significantly related to Y .

For $H_0: B_2 = 0$ (Null hypothesis for x_2), the p-value associated with the coefficient of 0.3754 is greater than the significance level of 0.05 and so we would fail to reject the null hypothesis that there is no significant evidence that x_2 and y are related.

- d) Now fit a least squares regression to predict y using only x_1 . Comment on your results. Can you reject the null hypothesis $H_0: \beta_1 = 0$?

```
x1_model <- lm(y ~ x1)

summary(x1_model)

##
## Call:
## lm(formula = y ~ x1)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -2.89495 -0.66874 -0.07785  0.59221  2.45560
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)   2.1124     0.2307   9.155 8.27e-15 ***
## x1             1.9759     0.3963   4.986 2.66e-06 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.055 on 98 degrees of freedom
## Multiple R-squared:  0.2024, Adjusted R-squared:  0.1942
## F-statistic: 24.86 on 1 and 98 DF, p-value: 2.661e-06
```

Both coefficients of 2.11 (intercept) and 1.98 (x_1) are very close to their true coefficients of 2. A R^2 of 0.2024 indicates that 20.24% of the variance in y is explained by x_1 . The p-value associated with the coefficient for x_1 is $2.66e-06$ which is much less than the significance level of 0.05 and so we would reject the null hypothesis and conclude that x_1 is significantly related to y .

- e) Now fit a least squares regression to predict y using only x2. Comment on your results. Can you reject the null hypothesis $H_0: \beta_1 = 0$?

```
x2_model <- lm(y ~ x2)
```

```
summary(x2_model)
```

```
##
## Call:
## lm(formula = y ~ x2)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -2.62687 -0.75156 -0.03598  0.72383  2.44890
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)   2.3899      0.1949   12.26 < 2e-16 ***
## x2            2.8996      0.6330    4.58 1.37e-05 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.072 on 98 degrees of freedom
## Multiple R-squared:  0.1763, Adjusted R-squared:  0.1679
## F-statistic: 20.98 on 1 and 98 DF, p-value: 1.366e-05
```

Both coefficients of 2.2899 (intercept) and 2.8896 (x2) are slightly higher to their true coefficients of 0.3. A R^2 of 0.1763 indicates that 17.63% of the variance in y is explained by x2. The p-value associated with the coefficient for x2 is 1.37e-05 which is much less than the significance level of 0.05 and so we would reject the null hypothesis and conclude that x2 is significantly related to y.

- f) Do the results obtained in (c)–(e) contradict each other? Explain your answer.

Model c includes both x1 and x2 and suggests that x1 is significant while x2 is not. This could be explained by the multicollinearity between x1 and x2 as they are highly correlated ($\text{cor} = 0.835$).

Model d includes only x1 and shows that x1 is highly significant providing a closer estimate to its true coefficient. Model 3 includes only x2 and shows that x2 is significant but the estimated coefficient of 2.8996 is much higher than the true value of 0.3. This indicates that x2 captures more variance when acting as the sole variable.

- g) Now suppose we obtain one additional observation, which was unfortunately mismeasured. Re-fit the linear models from (c) to (e) using this new data. What effect does this new observation have on the each of the models? In each model, is this observation an outlier? A high-leverage point? Both? Explain your answers.

```
x1 <- c(x1, 0.1)
x2 <- c(x2, 0.8)
y <- c(y, 6)
```

```

c_model <- lm(y ~ x1 + x2)
summary(c_model)

##
## Call:
## lm(formula = y ~ x1 + x2)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -2.73348 -0.69318 -0.05263  0.66385  2.30619
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)   2.2267     0.2314   9.624 7.91e-16 ***
## x1             0.5394     0.5922   0.911  0.36458
## x2             2.5146     0.8977   2.801  0.00614 **
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.075 on 98 degrees of freedom
## Multiple R-squared:  0.2188, Adjusted R-squared:  0.2029
## F-statistic: 13.72 on 2 and 98 DF, p-value: 5.564e-06

d_model <- lm(y ~ x1)
summary(d_model)

##
## Call:
## lm(formula = y ~ x1)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -2.8897 -0.6556 -0.0909  0.5682  3.5665
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)   2.2569     0.2390   9.445 1.78e-15 ***
## x1             1.7657     0.4124   4.282 4.29e-05 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.111 on 99 degrees of freedom
## Multiple R-squared:  0.1562, Adjusted R-squared:  0.1477
## F-statistic: 18.33 on 1 and 99 DF, p-value: 4.295e-05

e_model <- lm(y ~ x2)
summary(e_model)

```

```
##
## Call:
## lm(formula = y ~ x2)
##
## Residuals:
##      Min       1Q   Median       3Q      Max
## -2.64729 -0.71021 -0.06899  0.72699  2.38074
##
## Coefficients:
##              Estimate Std. Error t value Pr(>|t|)
## (Intercept)   2.3451     0.1912   12.264 < 2e-16 ***
## x2            3.1190     0.6040    5.164 1.25e-06 ***
## ---
## Signif. codes:  0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1
##
## Residual standard error: 1.074 on 99 degrees of freedom
## Multiple R-squared:  0.2122, Adjusted R-squared:  0.2042
## F-statistic: 26.66 on 1 and 99 DF,  p-value: 1.253e-06
```

Model c: The coefficient for x1 changed dramatically from 1.4396 to -0.1648, and the variable is no longer statistically significant with p-value = 0.716. The coefficient for x2 increased from 1.0097 to 3.6920 and it remains significant with p-value < 0.05. The new observation has a high leverage since the combination of x1 = 0.1 and x2 = 0.8 is unique and not as common in the dataset and the residuals max and mins indicate the points are not extreme outliers.

Model d: The coefficient for x1 decreased from 1.9759 to 1.2117 but is still statistically significant with p-value = 0.00756 < 0.05. The residual standard error increasing can indicate that the model fit worsened with the new observation and that this observation may be considered an outlier.

Model e: The coefficient for x2 increased from 2.8996 to 3.5728 and remains significant with p-value = 1.37e-09 is < 0.05. The residual standard error did not change as much as model d which can mean that the new observation did not drastically affect the overall fit model. The residual max and mins indicate that the observation is not an extreme outlier but the increase in coefficient can suggest the new observation has an impact on the model.