

$$b_1 = \frac{n \sum xy - [(\sum x)(\sum y)]}{n \sum x^2 - (\sum x)^2}$$

$n = 5 \rightarrow$ no of observations

$$b_1 = \frac{5 \cdot 157 - [(17)(36)]}{5 \cdot 75 - (17)^2}$$

$$\sum x = 17$$

$$\sum y = 36$$

$$\sum xy = 157$$

$$\sum y^2 = 332$$

$$\sum x^2 = 75$$

$$b_1 = \frac{785 - 612}{375 - 289}$$

$$b_1 = \frac{173}{86}$$

$$b_1 = \cancel{2.012} \quad 2.012$$

$$\begin{aligned} b_0 &= \bar{y} - b_1 \bar{x} \\ &= \cancel{7.2} - \cancel{2.012(3.4)} \quad 7.2 - 2.012(3.4) \\ &= \cancel{7.2} - \cancel{6.8408} \quad 7.2 - 6.8408 \\ &= \cancel{0.3592} \quad 0.36 \end{aligned}$$

$$\bar{y} = 36/5 = 7.2$$

$$\bar{x} = 17/5 = 3.4$$

$$b_1 = \cancel{2.012} \quad 2.012$$

$$b_0 = \cancel{0.36} \quad 0.36$$

$$y = \cancel{20.48} \quad 20.48$$

$$y = b_0 + b_1 x$$

$$= \cancel{0.36} + \cancel{2.012(10)} \quad 0.36 + 2.012(10)$$

$$= \cancel{20.48} \quad 0.36 + 20.12$$

$$20.48$$

x	y	xy	x ²	y ²
1	3	3	1	9
3	7	21	9	49
5	11	55	25	121
2	3	6	4	9
6	12	72	36	144
17	36	157	75	332

Sum of
X values

$$\sum x$$

$$\sum y \quad \sum xy \quad \sum x^2 \quad \sum y^2$$

Correlation Coefficient

$$r = \frac{n \sum xy - \sum x \sum y}{\sqrt{[n \sum x^2 - (\sum x)^2][n \sum y^2 - (\sum y)^2]}}$$

$$r = \frac{5(157) - 17(36)}{\sqrt{[5 \cdot 75 - (17)^2][5 \cdot 332 - (36)^2]}}$$

$$r = \frac{785 - 612}{\sqrt{[375 - 289][1660 - 1296]}}$$

$$r = \frac{173}{\sqrt{375 - 289} \sqrt{1660 - 1296}}$$

$$r = \frac{173}{\sqrt{86} \times 364}$$

$$r = \frac{173}{\sqrt{31364}}$$

$$r = \frac{173}{176.93}$$

$$r = 0.977$$

$$\approx 0.98$$

① also means there is a direct relationship b/w x and y hence as x increases, y increases.
 ② slope is also positive, as x is positive, y is also positive.
 ③ this r value is very high, which means there is a very strong relationship b/w x and y.