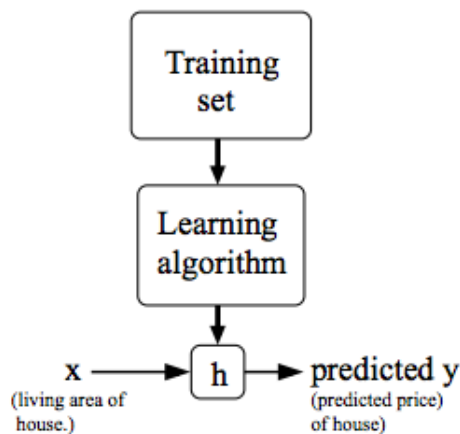


# Model Representation

To establish notation for future use, we'll use  $x^{(i)}$  to denote the “input” variables (living area in this example), also called input features, and  $y^{(i)}$  to denote the “output” or target variable that we are trying to predict (price). A pair  $(x^{(i)}, y^{(i)})$  is called a training example, and the dataset that we'll be using to learn—a list of  $m$  training examples  $\{(x^{(i)}, y^{(i)}) ; i = 1, \dots, m\}$ —is called a training set. Note that the superscript “(i)” in the notation is simply an index into the training set, and has nothing to do with exponentiation. We will also use  $X$  to denote the space of input values, and  $Y$  to denote the space of output values. In this example,  $X = Y = \mathbb{R}$ .

To describe the supervised learning problem slightly more formally, our goal is, given a training set, to learn a function  $h : X \rightarrow Y$  so that  $h(x)$  is a “good” predictor for the corresponding value of  $y$ . For historical reasons, this function  $h$  is called a hypothesis. Seen pictorially, the process is therefore like this:



When the target variable that we're trying to predict is continuous, such as in our housing example, we call the learning problem a regression problem. When  $y$  can take on only a small number of discrete values (such as if, given the living area, we wanted to predict if a dwelling is a house or an apartment, say), we call it a classification problem.

Complete