Part I:

1. E. All of the above statements are true.
2. B. y decreases by 3 when x increases by 4
3. E. All of the above statements are true.
4. A. least squares method
5. B. the observed values of the response variable y and the estimated values yi
6. C. 1.600
7. D. 9.76
8. E. All of the above statements are true.
9. C. 0.667
10. C. 0.970
11. A. The coefficient of determination, denoted by R 2 is interpreted as the proportion of observed y variation that cannot be explained by the simple linear regression model.
12. B. sqrt(SSE/(n-2))
13. D. either t >= 2.878 or t <= -2.878
14. B. .02