Topic 3.3: Remedial Measures: Variance Stabilizing Transformation

Read Sections 5.1, 5.2, and 5.4.1 of your textbook. As you read, take notes on the following.

1 When do we consider transforming the response variable?

2 How do we interpret the estimated regression coefficients after applying a log transformation to the response variable?

3 When considering a Box-Cox transformation, describe how we can use a plot of the profile log-likelihood against the parameter λ to decide how to transform the response variable.

Refer to the file below to learn how to interpret regression coefficients after the natural logarithm is applied to the response variable.

📄 mod3_log_y.pdf
   Interpretation of Regression Coefficients with Log Transformation on Response Variable