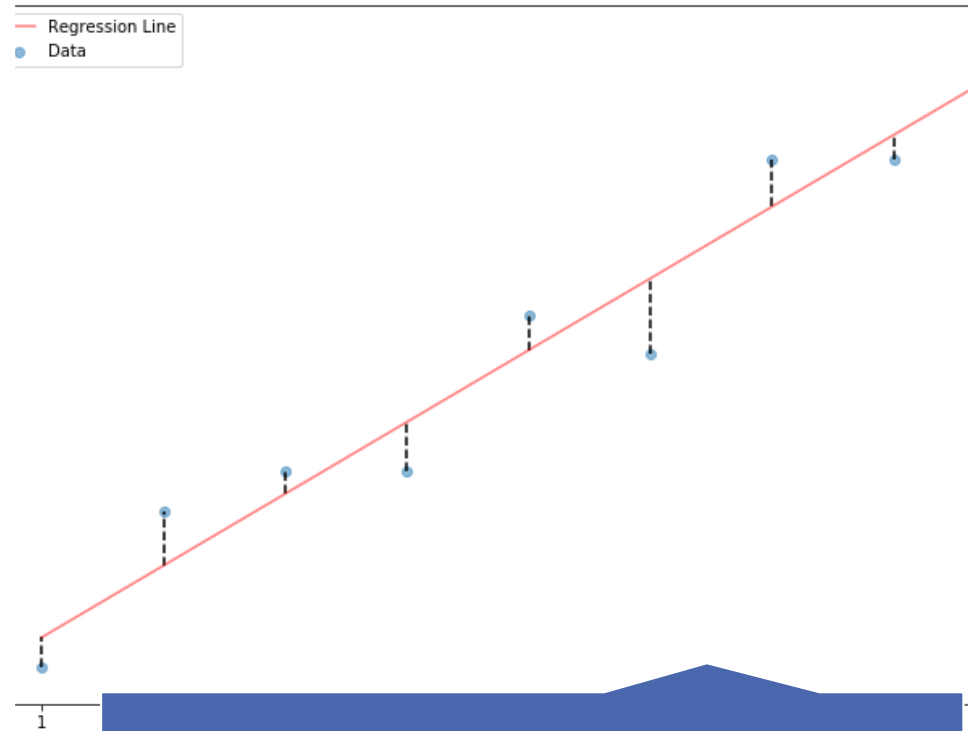


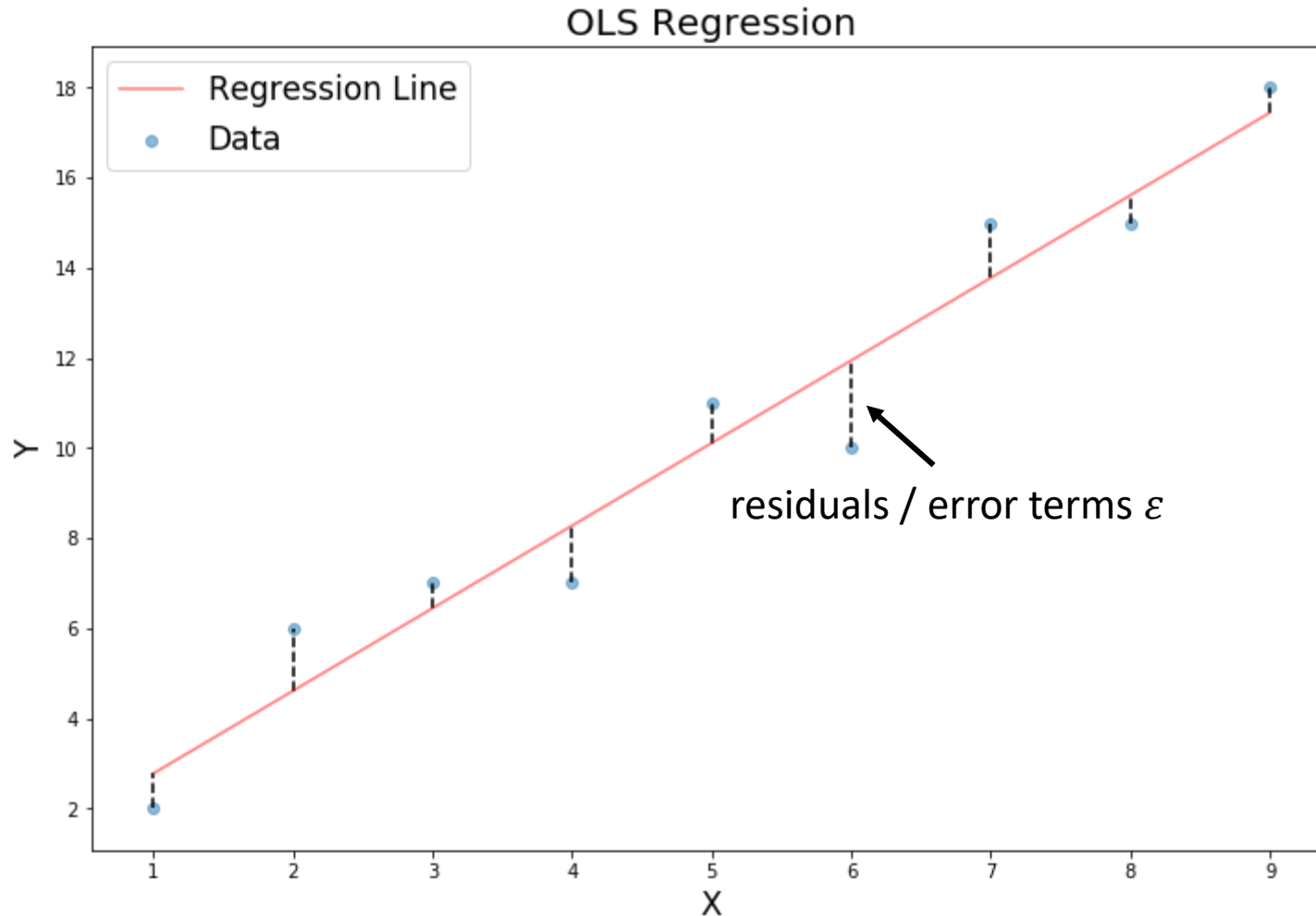
Regression Analysis – Ordinary Least Squares (OLS)



How to determine “best fit”?

Ordinary Least
Squares (OLS)

Linear Regression – Ordinary Least Squares



More useful: **squared errors** ε^2

Best Fit: **minimize** sum / mean of squared errors ε^2 !

- **SSE** (sum of squared errors)
- **MSE** (mean squared errors)