STOR 455: Assignment #3 Due: 9/27/18
Value: 10 points

Multiple Regression Models for Car Prices (continued)

Continue with the data you collected for modeling the **price** of a certain model of used car (in $1,000's), based on the **age** (in years) and **miles** driven (coded in 1,000's).

Model #1: Use Age and Miles as predictors.

a) Run the model with two predictors (**age** and **miles**) for **price** as the response variable and provide the output (both the *summary* and the *anova* for the model).
b) Find the largest residual for a car in your sample.
c) Assess the importance of each of the predictors in the model - be sure to indicate the specific value(s) from the output you are using to make the assessments. Include hypotheses and conclusions in context.
d) Assess the overall effectiveness of this model (with a formal test). Again, be sure to include hypotheses and the specific value(s) you are using from the output to reach a conclusion.
e) Compute and interpret the variance inflation factor (VIF) for your predictors.