

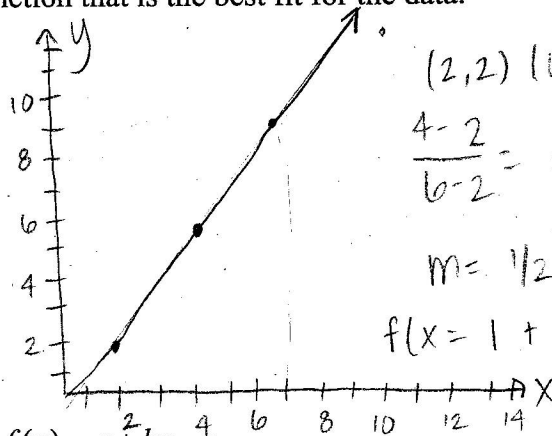
Useful Definitions:

- * **Linear Model:** A linear model is an equation of the form $f(x) = a + bx$,
- * **Linear Regression** (the least-square method): A procedure which defines the best-fit line as the line for which the sum of the squares of vertical distances from the data points to the line is a minimum.
- * **Constant first differences:** If the first differences of data outputs are constant (for equally spaced inputs), a linear model can be found that fits the data exactly. If the first differences are "nearly constant," a linear model can be found by an approximate fit for the data.
- * **Discrete:** It is used to describe the data or a function that is presented in the form of a table or in a scatterplot.
- * **Continuous:** It is used to describe a function or graph when the inputs can be any real number.

Handwritten notes: No Good, No

1. Construct a scatter plot of the data in the table. Can the scatter plot be fit exactly or only approximately by a linear function? How do you know? Find the linear function that is the best fit for the data.

	4	4	4	4	
x	2	6	10	14	18
y	2	4	6	8	10
	2	2	2	2	



$(2,2) (6,4)$
 $\frac{4-2}{6-2} = \frac{2}{4} = \frac{1}{2}$
 $m = \frac{1}{2}$
 $f(x) = 1 + \frac{1}{2}x$

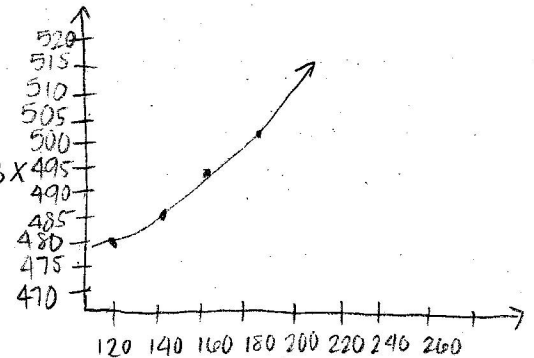
• exact fit
 - since the 1st differences of data output are constant (for equally spaced input)
 • Thus a linear model is $f(x) = a + bx$

2. a) Find the least-squares regression line in the form $f(x) = a + bx$.
 b) Use the regression line to estimate y when $x = 150$ (interpolation) and $x = 200$ (extrapolation).

	20	20	20	20	
x	100	120	140	160	180
y	477	483	489	495	504
	6	6	6	9	

$y = a + bx$
 $a = 443.40$
 $b = .33$

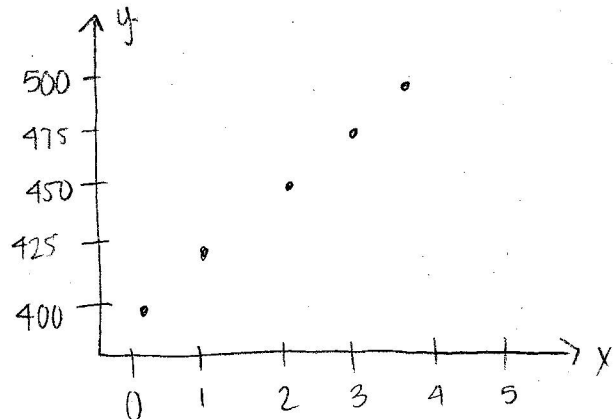
$f(x) = 443.40 + .33x$



• approx fit
 • since last $y=9$ is not constant at 6
 $f(150) = 443.40 + .33(150) = 492.9$
 $f(200) = 443.40 + .33(200) = 509.4$

3. If \$400 is invested at 4% simple interest, the future value S in t years is given in the table below.
- Is the rate of change of the future value constant for uniform inputs?
 - Can the future value be modeled by a linear function?
 - Write the equation that gives the future value as a function of the time in years in slope-intercept form.

		+1	+1	+1	+1	+1
x	Year(t)	0	1	2	3	4
y	Future Value (S)	400	425	450	475	500
			+25	+25	+25	+25



• 25 p/y
 • yes
 $400 + 25x$
 $S(t) = 400 + 25t$ (Linear model)
 $a = a + bx$
 $a = 400$
 $b = 25$