

# CORRELATION AND REGRESSION

$$\hat{r} = \frac{\text{covariance}_{xy}}{s_x s_y}$$

$$\hat{\beta}_x = \frac{\text{covariance}_{xy}}{s_x s_x}$$

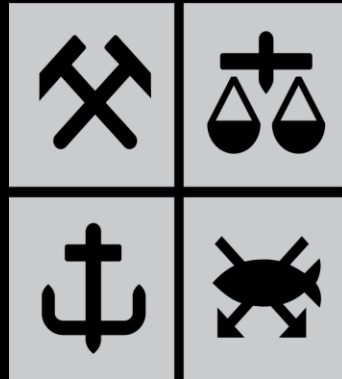
$$\hat{r} = \frac{\text{covariance}_{xy}}{s_x s_y}$$

$$\hat{\beta}_x = \frac{\text{covariance}_{xy}}{s_x s_x}$$

$$\hat{\beta}_x = \frac{\text{covariance}_{xy}}{s_x s_x} \cdot \underbrace{\frac{s_y}{s_y}}_{=1} = \frac{\text{covariance}_{xy}}{\underbrace{s_x s_y}_{=\hat{r}}} \cdot \frac{s_y}{s_x}$$

$$\hat{\beta}_x = \hat{r} \frac{s_y}{s_x}$$

# NHH TECH3



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