Computer Lab 5
Tuesday, April 9, 2013
DMS, 106
1:00-2:15PM

SIMPLE LINEAR REGRESSION
with

Instructor: Ilya Zaliapin
**Topic:** Simple Linear Regression

**Goal:** Learn how to perform simple linear regression analysis and interpret its results.

**Assignments:**

1) Download the data set Bears_lab5.MTW from the course website to your Minitab session; it contains selected columns from the data file Bears.MTW. Use the Minitab help to learn more about the measurements in this data set.

2) Use scatterplot to analyze the association between the bears’ lengths and weights. Choose a data transformation that will make the association approximately linear and homoskedastic.

3) Perform linear regression analysis with the bear’s weight as response (dependent variable) and the bear’s length as predictor (independent variable) using the data transformation found in 2):
   a. Find the fitted regression line;
   b. Check the residuals’ mean, homoskedasticity, and normality;
   c. Find the coefficient of determination, regression sum of squares, error sum of squares, total sum of squares, and error sample standard deviation; discuss and interpret the values;
   d. Find the standard deviations and P-values for the fitted regression coefficients, decide whether the coefficients are significant;
   e. Discuss unusual observations.

4) Find the CI and PI for the bear’s weight at the mean bear’s length;

5) Perform correlation analysis of the regression residuals with the bears’ head, neck, and chest measurements; discuss and interpret the results.

**Report:**

A printed report for this Lab is due on Thursday, April 18 in class. BW printouts are OK. Reports will not be accepted by mail.
1. Introduction

In applications, it is often important to forecast the value of a random variable $Y$ (which can be difficult or impossible to measure directly) using the observations of another random variable $X$ (which can be more accessible for direct measurements). An important result of the probability theory is that when the two random variables are normal the forecast of $Y$ in terms of $X$ that minimizes the mean-square error is linear:

$$\hat{Y} = a + bX.$$  

Often, even for non-Normal random variables, a practically useful forecast can be obtained using a linear function of the predictor $X$. This explains the importance of linear regression analysis, one of the most common tools of applied statistics.

2. Simple Linear Regression

[This section is not intended to provide all the necessary theoretical background for regression analysis; refer to the text or lecture notes for the missing details.]

Recall that a linear regression (LR) model with one dependent variable $Y$ and one independent variable $X$ (also called simple linear regression, SLR) takes the form

$$Y_i = \beta_0 + \beta_1 X_i + \varepsilon_i,$$  

where $(Y_i, X_i)$ are observations, $\beta_0$ and $\beta_1$ are regression coefficients, and $\varepsilon_i$ are model errors. We assume that the errors have zero expected value. The regression analysis is focused on estimating the regression coefficients, making statistical inference about these estimations, and constructing forecasts for the new values of $Y$, given the new value of $X$. The estimation is done using the mean-square error minimization; that is the fitted regression coefficients are chosen to minimize the sum of the squared residuals:

$$\sum_{i=1}^{n} e_i^2 = \sum_{i=1}^{n} (Y_i - \hat{\beta}_0 - \hat{\beta}_1 X_i)^2 \rightarrow \min.$$  

Remark: The residuals

$$e_i = Y_i - \hat{\beta}_0 - \hat{\beta}_1 X_i$$  

are not equal to the errors $\varepsilon_i$ of the model (1), since they depend on the estimated, not true, values of the regression coefficients.

The estimated (fitted) regression coefficients in (1) can be found using the standard formulas (see the textbook or lecture notes) using the criterion (2) without any additional assumptions. However, the standard methods of
regression inference (deriving the distribution of the estimations, testing their significance, finding the distribution for the forecast of $Y$) are based on additional assumption about the model errors:

$$\varepsilon_i \text{ are iid } N(0, \sigma^2).$$

In particular, a model with errors of the same variance (not necessarily independent) is called homoskedastic; otherwise it is heteroskedastic.

We will consider two ways of performing simple linear regression analysis. The first method is good for presentation purposes (obtaining a quick visual summary of the results), while the second one focuses on technical details.

2.1 SLR: Presentation of Results

A useful summary of regression results can be obtained using the menu Stat/Regression/Fitted Line Plot...

... which brings up the following submenu
For now, we only consider **Linear** type of regression model. The other three submenus to use are **Graphs**, **Options**, and **Storage**:

Minitab can plot the regression residuals, which is useful for checking the model assumptions. In **Graphs** you choose what type of residuals to plot (details will be discussed in class).

In **Options** you specify whether to apply a log-transformation to the data and whether to display confidence and prediction intervals for the regression.

In **Storage** you choose the outputs to store in the current worksheet.
The regression results are summarized in a graph like this:

The graph contains the following info:

- The fitted regression equation is shown in the title
- Confidence interval (CI) is for the fitted values of the regression line. (The position of the regression line is random.)
- Prediction interval (PI) is for the actual values of $Y$: it shows where the new values of $Y$ may fall.
- $S$ is the sample standard deviation of residuals
- $R$-$Sq$ is the coefficient of determination ($r^2$)
- $R$-$Sq$(adj) is the adjusted coefficient of determination (we are not paying much attention to it in a simple regression).
2.2 SLR: Technical Details

An access to all the technical details of the regression analysis is provided by the menu **Stat/Regression/Regression...**

...which leads to the following submenu

The sub-submenu **Graphs** is the same as in **Section 2.1.**
In **Options**, we are primarily interested in the option “Prediction intervals for new observations”. Here, you give the values of X for which the forecast will be constructed.

In **Results**, you choose what results will be displayed in the Session window.

In **Storage**, you choose which results will be stored in the current worksheet and/or in Data storage.

The results of the analysis are displayed in the Session window and look like this (the details will be discussed in class):
Regression Analysis: Y (Response) versus X (Predictor)

The regression equation is
Y (Response) = 0.0251 + 0.563 X (Predictor)

<table>
<thead>
<tr>
<th>Predictor</th>
<th>Coef</th>
<th>SE Coef</th>
<th>T</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>0.02512</td>
<td>0.07419</td>
<td>0.34</td>
<td>0.736</td>
</tr>
<tr>
<td>X (Predictor)</td>
<td>0.58280</td>
<td>0.05841</td>
<td>9.98</td>
<td>0.000</td>
</tr>
</tbody>
</table>

S = 0.713755  R-Sq = 50.4%  R-Sq(adj) = 49.9%

Analysis of Variance

<table>
<thead>
<tr>
<th>Source</th>
<th>DF</th>
<th>SS</th>
<th>MS</th>
<th>F</th>
<th>P</th>
<th>Regression SS</th>
<th>Error SS</th>
<th>Total SS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>1</td>
<td>50.719</td>
<td>50.719</td>
<td>99.56</td>
<td>0.000</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residual Error</td>
<td>98</td>
<td>49.926</td>
<td>0.509</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>99</td>
<td>100.645</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Unusual Observations:

<table>
<thead>
<tr>
<th>Obs</th>
<th>X (Predictor)</th>
<th>Y (Response)</th>
<th>Fit</th>
<th>SE Fit</th>
<th>Residual</th>
<th>St Resid</th>
</tr>
</thead>
<tbody>
<tr>
<td>18</td>
<td>3.02</td>
<td>0.7275</td>
<td>1.7829</td>
<td>0.2090</td>
<td>-1.0554</td>
<td>-1.55 X</td>
</tr>
<tr>
<td>19</td>
<td>0.32</td>
<td>2.1925</td>
<td>0.2123</td>
<td>0.0813</td>
<td>1.9903</td>
<td>2.79R</td>
</tr>
<tr>
<td>20</td>
<td>-6.16</td>
<td>-1.4919</td>
<td>-0.0706</td>
<td>0.0722</td>
<td>-1.4212</td>
<td>-2.00R</td>
</tr>
<tr>
<td>22</td>
<td>-3.12</td>
<td>-1.9156</td>
<td>-1.7907</td>
<td>0.1768</td>
<td>-0.1258</td>
<td>-0.18 X</td>
</tr>
<tr>
<td>68</td>
<td>1.93</td>
<td>-0.4581</td>
<td>1.1465</td>
<td>0.1508</td>
<td>-1.6066</td>
<td>-2.30R</td>
</tr>
<tr>
<td>82</td>
<td>-2.81</td>
<td>0.0098</td>
<td>-1.6114</td>
<td>0.1605</td>
<td>1.6211</td>
<td>2.33R</td>
</tr>
<tr>
<td>98</td>
<td>-1.29</td>
<td>0.8731</td>
<td>-0.7285</td>
<td>0.0903</td>
<td>1.6016</td>
<td>2.26R</td>
</tr>
<tr>
<td>100</td>
<td>-0.25</td>
<td>1.5307</td>
<td>-0.1188</td>
<td>0.0716</td>
<td>1.6495</td>
<td>2.32R</td>
</tr>
</tbody>
</table>

R denotes an observation with a large standardized residual.
X denotes an observation whose X value gives it large leverage.