

# Contents

## Preface

<b>1. What is Linear Regression?</b>	<b>1</b>
1.1. Introduction . . . . .	1
1.2. The Equation of a Line . . . . .	1
1.3. The Best Fitting Line . . . . .	5
1.4. Regression and Causation . . . . .	7
1.5. Regression: A Summary . . . . .	8
<b>2. Finding the Best Fitting Line</b>	<b>9</b>
2.1. Introduction . . . . .	9
2.2. Exhaustive Search . . . . .	9
2.3. Onwards and Downwards . . . . .	10
2.4. The Normal Equations . . . . .	11
2.5. Numerical Example . . . . .	15
2.6. Python Code . . . . .	16
<b>3. How Good is the Best Fitting Line?</b>	<b>17</b>
3.1. Introduction . . . . .	17
3.2. Variance and Standard Deviation . . . . .	17
3.3. Covariance and Correlation . . . . .	18
3.4. Partitioning the Variance . . . . .	21
3.5. The Coefficient of Determination . . . . .	25
3.6. Numerical Example . . . . .	26
3.7. Python Code . . . . .	27
<b>4. Statistical Significance: Means</b>	<b>29</b>
4.1. Introduction . . . . .	29
4.2. The Distribution of Means . . . . .	29
4.3. Degrees of Freedom . . . . .	34
4.4. Estimating Variance . . . . .	36
4.5. The $p$ -Value . . . . .	37
4.6. The Null Hypothesis . . . . .	39
4.7. The $z$ -Test . . . . .	41
4.8. The $t$ -Test . . . . .	42
4.9. Numerical Example . . . . .	45
4.10. Python Code . . . . .	47
<b>5. Statistical Significance: Regression</b>	<b>49</b>
5.1. Introduction . . . . .	49
5.2. Statistical Significance . . . . .	49
5.3. Statistical Significance: Slope . . . . .	50
5.4. Statistical Significance: Intercept . . . . .	55
5.5. Significance Versus Importance . . . . .	55
5.6. Assessing the Overall Fit . . . . .	56
5.7. Numerical Example . . . . .	58
5.8. Python Code . . . . .	62

<b>6. Maximum Likelihood Estimation</b>	<b>65</b>
6.1. Introduction . . . . .	65
6.2. The Likelihood Function . . . . .	67
6.3. Likelihood and Least Squares Estimation . . . . .	69
<b>7. Multivariate Regression</b>	<b>71</b>
7.1. Introduction . . . . .	71
7.2. The Best Fitting Plane . . . . .	71
7.3. Vector–Matrix Formulation . . . . .	73
7.4. Finding the Best Fitting Plane . . . . .	76
7.5. Statistical Significance . . . . .	78
7.6. How Many Regressors? . . . . .	80
7.7. Numerical Example . . . . .	82
7.8. Python Code . . . . .	86
<b>8. Weighted Linear Regression</b>	<b>89</b>
8.1. Introduction . . . . .	89
8.2. Weighted Sum of Squared Errors . . . . .	89
8.3. Vector–Matrix Formulation . . . . .	91
8.4. Statistical Significance . . . . .	92
8.5. Numerical Example . . . . .	96
8.6. Python Code . . . . .	98
<b>9. Nonlinear Regression</b>	<b>101</b>
9.1. Introduction . . . . .	101
9.2. Polynomial Regression . . . . .	102
9.3. Nonlinear Regression . . . . .	104
9.4. Numerical Example . . . . .	106
9.5. Python Code . . . . .	108
<b>10. Bayesian Regression: A Summary</b>	<b>111</b>
10.1. Introduction . . . . .	111
10.2. Bayes’ Theorem . . . . .	112
 <b>Appendices</b>	
<b>A. Glossary</b>	<b>115</b>
<b>B. Mathematical Symbols</b>	<b>117</b>
<b>C. A Vector and Matrix Tutorial</b>	<b>119</b>
<b>D. Setting Means to Zero</b>	<b>121</b>
<b>E. Key Equations</b>	<b>125</b>
<b>Index</b>	<b>127</b>