

Standardized Regression Solution

Y =	1	X =	2	6			
	3		4	8	R_{xx}	=	1.0000 0.6786
	2		3	12			0.6786 1.0000
	5		7	10			
	4		6	14	(X'X)⁻¹	=	1.8534 -1.2577
	7		8	18			-1.2577 1.8534
	6		5	16			
Sum	28		35	84			
Mea	4		5	12	(R_{yx})'	=	0.8929 0.8214
USS 140			203	1120			
CSS 28			28	112			
					$\hat{\beta}$	=	(R_{xx})⁻¹R_{yx} =
							0.62175 = $\hat{\beta}_0$
							0.39953 = $\hat{\beta}_1$

$$\frac{.6786}{1 - (.6786)^2} = r/Tol$$

$$\frac{1}{1 - (.6786)^2} = 1/Tol = VIF$$

$$\hat{\beta}_1 = \frac{r_{y1} - (r_{y2}r_{12})}{1 - r_{12}^2} = [0.8929 - \{(0.8214)(.6786)\}] / 0.5395 = 0.621175$$

$$\hat{\beta}_2 = \frac{r_{y2} - (r_{y1}r_{12})}{1 - r_{12}^2} = [0.8214 - \{(0.8929)(.6786)\}] / 0.5395 = 0.39953$$

Matrix Calculations

$$\hat{\beta}_1 = [(1.8534)(0.8929)] - [(1.2577)(0.8214)]$$

$$\hat{\beta}_1 = [0.8929/0.5395] - [\{(0.8214)(0.6786)\}/0.5395]$$

$$\hat{\beta}_2 = [(1.8534)(0.8214)] - [(1.2577)(0.8929)]$$

$$\hat{\beta}_2 = [0.8214/0.5395] - [\{(0.8929)(0.6786)\}/0.5395]$$