

## 1 The Nature of Regression Models

- I'll cover quickly; read chapter 1 on your own
- Concepts:
  - Correlation vs. causation
  - Terminology & notation
  - Data types

## 2 Two-Variable Regression Analysis: Some Basic Ideas

- Population regression function (PRF)
  - Equation
  - Terminology and notation
  - The meaning of “linear”
  - Stochastic error term
  - Draw figure
- Sample regression function (SRF)
  - Equation
  - Terminology & notation
  - Draw figure
- Application: Family income & the SAT