

## QUESTION 2 (8.00%)

Consider the following two regression equations:

$$\begin{aligned} \text{Sales} &= 100 + 1.5 \text{Advertising} + 0.5 \text{Sales} \\ \text{Sales} &= 100 + 1.5 \text{Advertising} + 0.5 \text{Sales} + 0.5 \text{Sales} \end{aligned}$$

Advertising	Sales
100	250
200	400
300	550
400	700
500	850
600	1000
700	1150
800	1300
900	1450
1000	1600