

Case 11: 2008

Case 11: 2008. The following table shows the results of the regression analysis for the case. The dependent variable is the log of the number of employees. The independent variables are the log of the number of sales, the log of the number of assets, and the log of the number of liabilities.

Variable	Parameter Estimate	Standard Error	t-Statistic	p-Value
Intercept	0.000	0.000	0.000	0.000
Log Sales	0.500	0.050	10.000	0.000
Log Assets	0.250	0.025	10.000	0.000
Log Liabilities	0.250	0.025	10.000	0.000

The diagram illustrates a regression model where three independent variables (Log Sales, Log Assets, and Log Liabilities) are used to predict the dependent variable (Log Employees). The regression equation is $Y = a + b_1X_1 + b_2X_2 + b_3X_3$. The parameter estimates and standard errors are shown in the table below.

Variable	Parameter Estimate	Standard Error
Intercept	0.000	0.000
Log Sales	0.500	0.050
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