

Managing Massive Multiplayer Online Games
SoSe 2018

Exercise Sheet 7: Game Analytics

Discussion: May 30st, 2018

Exercise 7-1 *Linear Regression (Homework)*

The rent y_i of a n apartment i depends on its size x_i . There are other influences, too, but the relation between rent and size can be simplified and represented by a linear regression model, i.e.:

$$y_i = w_0 + w_1 x_i$$

As training set the following data is available:

area in m ²	cold rent in €
30	600
60	966
100	1640
55	992
93	1790
195	2925
21	469
61	840
62	1400

- (a) Calculate the regression line which minimizes the mean square error (MSE) between the predicted rent \hat{y}_i and the actual rent y_i

$$MSE = \frac{1}{n} \sum_{i=1}^n (\hat{y}_i - y_i)^2$$

- (b) Compute the square error to estimate how good the model describes the relation.
(c) Calculate the expected rent for a flat with $120m^2$ using the regression line.