

1 Chapter15

$$\text{Dummy1} = \begin{cases} 1, & \text{if SMOKE2} = 1 \\ 0, & \text{otherwise} \end{cases}$$

$$\text{Dummy2} = \begin{cases} 1, & \text{if SMOKE2} = 2 \\ 0, & \text{otherwise} \end{cases}$$

Population Parameter	Book Method	Hat Method
α (β_0)	a (b_0)	$\hat{\alpha}$ ($\hat{\beta}_0$)
β_1	b_1	$\hat{\beta}_1$
\vdots	\vdots	\vdots
β_k	b_k	$\hat{\beta}_k$

Population Parameter	α	β_1	\dots	β_k
Method 1	a	b_1	\dots	b_k
Method 2	$\hat{\alpha}$	$\hat{\beta}_1$	\dots	$\hat{\beta}_k$
Method 3	β_0	β_1	\dots	β_k