

VI. Answer the following questions using the data on the preceding page.

A. Use the method of least squares to determine a regression equation.

B. Calculate the estimated profit for next year when R & D will be \$8,000,000.

C. Draw the regression line on the page 160 scatter diagram.

D. Calculate the 99% confidence interval for question B.

E. What procedure should be followed if the range for the answer to question D includes zero or a negative number?