1. **Problem**
   Consider the following regression results:

```
Call:
lm(formula = log(y) ~ log(x), data = d)

Residuals:
    Min      1Q  Median      3Q     Max
-6.6119 -1.4477  0.1735  1.5365  4.8160

Coefficients:
            Estimate Std. Error t value Pr(>|t|)
(Intercept)   0.1264     0.2520   0.501    0.618
log(x)        0.2870     0.2279   1.259    0.212

Residual standard error: 2.251 on 79 degrees of freedom
Multiple R-squared:  0.01967,   Adjusted R-squared:  0.007263
F-statistic: 1.585 on 1 and 79 DF,  p-value: 0.2117
```

   Describe how the response `y` depends on the regressor `x`.

   Solution
   The presented results describe a log-log regression.

   The mean of the response `y` increases with increasing `x`.

   If `x` increases by 1 percent then a change of `y` by about 0.29 percent can be expected.

   However, the effect of `x` is *not* significant at the 5 percent level.