

FOREWORD



The following table shows the results of the regression analysis. The dependent variable is the natural logarithm of the number of employees in the firm, and the independent variables are the natural logarithm of sales, the natural logarithm of the firm's age, and the natural logarithm of the firm's sales per employee. The R-squared value is 0.15, indicating that the model explains 15% of the variance in the dependent variable.

Variable	Coefficient	Standard Error	t-statistic	p-value
ln(Sales)	0.12	0.02	6.00	0.0001
ln(Age)	0.08	0.01	8.00	0.0000
ln(Sales per Employee)	-0.05	0.01	-5.00	0.0001
Constant	2.50	0.50	5.00	0.0001

The regression equation is: $\ln(\text{Employees}) = 2.50 + 0.12 \ln(\text{Sales}) + 0.08 \ln(\text{Age}) - 0.05 \ln(\text{Sales per Employee})$.