

Create the **model** from a given set of parameters

Model

$$y_i = \beta_0 + \beta_1(x_i) + \epsilon_i$$
$$\epsilon_i \stackrel{i.i.d.}{\sim} \mathcal{N}(0, \sigma)$$

$$\beta_0 = 0.2 \quad \beta_1 = 0 \quad \sigma = 1$$

Generate observations from this model

In each trial of the simulation the x -values are the same and the y -values are generated using:

$$y_i \stackrel{i.i.d.}{\sim} \mathcal{N}(0.2, 1)$$

Collect statistic(s) of interest from each trial

Evaluate the distribution of each statistic of interest (e.g., plot, compute mean, sd)

