

$$f(\beta_0, \beta_1) = \frac{1}{n} \left((y_1 - (\beta_0 + \beta_1 x_1))^2 + \cdots + (y_n - (\beta_0 + \beta_1 x_n))^2 \right)$$

$$= \frac{1}{n} \sum_{i=1}^n (y_i - \beta_0 - \beta_1 x_i)^2$$

First order condition (FOC)

$$\frac{\partial}{\partial \beta_0} = -2 \frac{1}{n} \sum_{i=1}^n (y_i - \beta_0 - \beta_1 x_i) = 0$$

$$\frac{1}{n} \sum_{i=1}^n y_i - \frac{1}{n} \sum_{i=1}^n \beta_0 - \frac{1}{n} \sum_{i=1}^n \beta_1 x_i = 0$$

$$\frac{1}{n} \sum_{i=1}^n \beta_0 = \frac{1}{n} n \beta_0 = \beta_0 = \frac{1}{n} \sum_{i=1}^n y_i - \beta_1 \frac{1}{n} \sum_{i=1}^n x_i = \bar{y} - \beta_1 \bar{x}$$

$$\therefore \widehat{\beta}_0 = \bar{y} - \beta_1 \bar{x}$$

$$\frac{\partial}{\partial \beta_1} = -2 \frac{1}{n} \sum_{i=1}^n (y_i - \beta_0 - \beta_1 x_i) x_i = 0$$

$$\frac{1}{n} \sum_{i=1}^n y_i x_i = \beta_0 \frac{1}{n} \sum_{i=1}^n y_i + \beta_1 \frac{1}{n} \sum_{i=1}^n x_i^2 = (\bar{y} - \beta_1 \bar{x}) \frac{1}{n} \sum_{i=1}^n y_i + \beta_1 \frac{1}{n} \sum_{i=1}^n x_i^2$$

$$\beta_1 \left(\frac{1}{n} \sum_{i=1}^n x_i (x_i - \bar{x}) \right) = \frac{1}{n} \sum_{i=1}^n x_i (y_i - \bar{y})$$

$$\therefore \widehat{\beta}_1 = \frac{\sum_{i=1}^n (x_i - \bar{x})(y_i - \bar{y})}{\sum_{i=1}^n (x_i - \bar{x})^2}$$