

Eco 420Z. Applied Econometrics
Homework 2

Problems:

1. Solve question 4.2 in page 159 of your textbook.
2. Solve question 4.5 in page 160 of your textbook.
3. Solve question 6.3 in page 216 of your textbook.

Computer Exercises:

Please submit a log file print out showing your work! For hypothesis testing, do not use the STATA's test command (you may use it to verify your results). You need to clearly right down the null and alternative hypothesis, calculate the t-test statistic using estimated coefficients and standard errors, and find out the appropriate critical level using the t-distribution table (Table G.2 in page 825).

4. Solve question C6.2 in page 218 of your textbook.
5. Solve question C6.3 in page 219 of your textbook.

Data for computer exercises are available at www.albany.edu/~by872279/teaching.htm