

Quiz # 9
Chapter 14
Suggested Answers
Group 3
Econometrics 06216

Name _____

- Choose the most correct answer
 - You have 5 minutes to solve out this quiz
1. It is correct to affirm that an explicative variable is exogenous if :
 - a. **It's value is taken as given**
 - b. It's a relevant variable
 - c. It's values is determined within the model
 - d. None of the above

 2. Variables that are determined inside the system are:
 - a. Instrumental variables.
 - b. Independent variables.
 - c. Latent variables.
 - d. Exogenous variables.
 - e. **None of the above.**

 3. If we want to know the effect of an exogenous variable in the equilibrium of an endogenous variable, and we have a model with simultaneity bias we:
 - a. Use structural form equations.
 - b. **Use reduced form equations.**
 - c. Can use structural or reduced form equations, but to use the reduced form equations is quicker.
 - d. Can use structural or reduced form equations, but to use the structural form equations is quicker.

 4. An equation can be over, just or under identified. Which of these is correct:
 - a. Over-identified equations cannot be estimated.
 - b. Just identified equations cannot be estimated.
 - c. Under-identified equations should always be estimated by the researcher.
 - d. **Both over and just identified equations can be estimated.**

 5. About a system of simultaneous equations, we can affirm that:
 - a. It's a system of independent equations that determine variables.
 - b. **It's a system of interdependent equations that jointly determine variables**
 - c. It refers only to a supply and demand specification.
 - d. All of the above.
 - e. None of the above.