**Quiz # 10**
**Chapter 11**
**Suggested Answers**

Name_______________________________

- Choose the **MOST CORRECT** answer
- You have 5 minutes to solve out this quiz

1. ¿Which of the Gauss-Markov assumptions is violated, when there is autocorrelation?
   a. $E(\varepsilon_i) = 0$
   b. $Var(\varepsilon_i) = \sigma_i^2$
   c. $Var(\varepsilon_i) = \sigma^2 I$
   d. Each $X_i$ is fixed across samples.
   e. None of the above

2. In presence of first order autocorrelation, the OLS estimators:

   a. Remain BLUE
   b. Remain consistent
   c. Remain efficient
   d. All of the above.
   e. None of the above.

3. You shouldn't use the Durbin Watson test if:
   a. There is a lag independent variable.
   b. The regression has the lagged value of the dependent variable as regresor.
   c. The intercept is different from zero.
   d. All of the above
   e. None of the above.

4. About the Durbin Watson test, we can say:
   a. Always give a conclusive result.
   b. Not always give a conclusive result.
   c. Just conclude about first order serial correlation.
   d. b and c.
   e. a and c

5. You have the next model: $Y_t = \beta_0 + \beta_1 X_t + \varepsilon_t$, and it has first order serial correlation, when you use FGLS to correct it, you'll have:
   a. A slope that depends of $\rho$
   b. An intercept that depends of $\rho$
   c. A model that remains not being BLUE.
   d. All of the above.
   e. None of the above.