

Quiz # 10
Chapter 14
Suggested Answers
Econometrics 06216

Name _____

- Choose the **MOST CORRECT** answer
 - You have 5 minutes to solve out this quiz
1. Variables that are determined by a system of simultaneous equations are called:
 - a. Exogenous
 - b. Independent
 - c. Instrumental variable
 - d. Interactive
 - e. **None of the above**
 2. ILS estimators for simultaneous equations are:
 - a. Unbiased and efficient
 - b. **Consistent and asymptotical efficient**
 - c. Inconsistent and inefficient
 - d. a and c
 - e. None of the above
 3. Endogenous variables could be considered independent variables in:
 - a. **Structural equations**
 - b. Reduced form equations
 - c. Symmetric equations
 - d. a and b
 - e. None of the above
 4. If the reduced form contains too much information to ascertain the structural parameters of the demand function; econometricians call the demand function:
 - a. **Overidentified**
 - b. Exactly identified
 - c. Underidentified
 - d. Reciprocal
 - e. None of the above
 5. The presence of an endogenous left hand side variable violates one of the next classical assumptions:
 - a. $E(\varepsilon) = 0$
 - b. $E(\varepsilon_i \varepsilon_j) = 0 \quad \forall i \neq j$
 - c. The variance of ε_i is the same $\forall i$
 - d. Regressors are not stochastic
 - e. **None of the above.**