

Quiz # 4
Chapter 6 and 7
Suggested Answers
Group 7
Econometrics 06216

Name _____

- Choose the most correct answer
- You have 5 minutes to solve out this quiz

1. One of the following is not a Gauss-Markov assumption (in Matrix form)

- a. $Y = \beta^2 X + \varepsilon$
- b. $E[\varepsilon\varepsilon^T] = \delta^2 I$
- c. $E[\varepsilon] = 0$
- d. None of the above

Answer a

2. If you want to test if one independent variable influences the dependent variable, you:

- a. Make a significant test.
- b. Have to use a Chi-square test.
- c. Make a significance test.
- d. A and C.

Answer c

3. A problem that is present in the R^2 is that:

- a. It's lower than the adjusted coefficient of determination.
- b. It's higher than the adjusted coefficient of determination.
- c. Gets lower with the inclusion of independent variables.
- d. None of the above

Answer d

4. A weak test means:

- a. A test that is unlikely to reject.
- b. A test that is unlikely to accept.
- c. A test that is not powerful enough.
- d. None of the above

Answer a

5. The p-value associated with a hypothesis test is:

- a. The probability that the null hypothesis is true
- b. The smallest level of significance at which the null would be rejected.
- c. The probability that the null hypothesis is false.
- d. None of the above.

Answer d