Quiz # 4
Chapter 6 and 7
Suggested Answers
Econometrics 06216

Name_____

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

1. You can not estimate a model by OLS (without doing modifications)that is:
   a. Linear in the independent variables but not in the coefficients.
   b. Linear in the coefficients but not in the independent variables.
   c. Linear in the dependent variables, but not in the independent variables.
   d. All of the above could be estimated.
   e. None of the above could be estimated.

2. A "good" estimator for β is:

   a. $\hat{\beta} = \left[X^T X \right]^{-1} X^T Y$
   b. $\hat{\beta} = \left[X^T X \right] X^T Y$
   c. $\hat{\beta} = \left[X X^T \right] X^T Y$
   d. None of the above

3. If you want to test if one independent variable influences the dependent variable, you:
   a. Make a significance test.
   b. Make a significative test.
   c. Have to use a Chi-square test.
   d. B and C.

4. A problem that is present in the R^2 is that:
   a. Gets higher with the inclusion of independent variables.
   b. Gets lower with the inclusion of independent variables.
   c. It´s lower than the adjusted coefficient of determination.
   d. It´s higher than the adjusted coefficient of determination.

5. A p-value of 0.05, for a t-test implies that:
   a. The area in each tail is 0.05.
   b. The area in one of the tails is 0.05.
   c. The sum of each of the three tail´s area is 0.05.
   d. None of the above.