Quiz #6

Variables Dummy

Econometría 06216

Nombre: _____

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INSTRUCCIONES:
- Escoja la opción más adecuada.
- Usted cuenta con 5 minutos para resolver este quiz

1. Dummy variables are used to:
   a. Explain shifts in the curves.
   b. Explain the causes of the changes.
   c. (a) and (b) are correct.
   d. None of the above.

Answer a).

2. The Chow test is used in order to:
   a. Determine if dummy variables must be used.
   b. Determine if a structural shift exists.
   c. (a) and (b) are correct.
   d. None of the above.

Answer c).

3. Which of the following models represent a shift in slope but holds the intercept constant.
   a. $y_i = \boldsymbol{b}_0 + \boldsymbol{b}_1 x_{1i} + \boldsymbol{b}_2 D_t$
   b. $y_i = \boldsymbol{b}_0 + \boldsymbol{b}_1 x_{1i} + \boldsymbol{b}_2 W_t x_{1i}$
   c. $y_i = \boldsymbol{b}_0 + \boldsymbol{b}_1 x_{1i} + \boldsymbol{b}_{2t} x_{2i}$
   d. $y_i = \boldsymbol{b}_0 + \boldsymbol{b}_1 x_{1i} + \boldsymbol{b}_2 D_t + \boldsymbol{b}_3 W_t x_{1i}$

Answer b)

4. A group of dummy variables that correspond to each cross-section unit in a panel data set are called.
   a. Fixed effects.
   b. Time effects.
   c. State level relationships.
   d. None of the above.

Answer a)

5. A regression equation is fully interadted with a dummy variable if:
   a. it permits the respective changes in the intercept.
   b. it premits the respective changes in the slopes.
   c. it permits both the changes in intercept and slopes.
   d. None of the above.

Answer c).