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. It is desirable to have estimators that are BLUE, because:
   a. Linear estimators are always better than non-linear ones.
   b. If estimators are BLUE the R^2 cannot be improved upon.
   c. For hypothesis testing it is desirable to have minimum variance as well as unbiased estimators because otherwise our tests are weaker than they should be.
   d. All of the above.

2. The fact that an estimator is unbiased guarantees, in most cases, that the estimator is also:
   a. BLUE
   b. efficient
   c. a and b
   d. None of the above

3. Which of the following specifications let you estimate the percentage change in one variable due to the absolute change in another one:
   a. Semi-log
   b. Logarithmical
   c. Log-log
   d. None of the above

4. About the variance of the residuals s^2, we can affirm that:
   a. It follows approximately a normal distribution.
   b. It isn't observable.
   c. It is unknown.
   d. None of the above

5. Which of the following expressions represents the coefficient of determination:

   a. $\dfrac{\sum e_i^2}{\sum y_i^2}$

   b. $1 - \dfrac{\sum e_i^2}{\sum y_i^2}$

   c. $\dfrac{\sum e_i}{\sum y_i}$

   d. $1 - \dfrac{\sum e_i^2}{\sum x_i^2}$