

Quiz # 12
Chapter 19

Name: _____

- Choose the **MOST CORRECT** answer
 - You have 5 minutes to solve out this quiz
1. About the linear probability model, you may agree that:
 - a. It is realistic and accurate that the probability always increases in a constant proportion.
 - b. It is the best option to estimate probability of success.
 - c. It follows an F-distribution.
 - d. **None of the above.**
 2. It is possible to make an equivalence between coefficients:
 - a. Logit and Linear probability models.
 - b. Probit and Linear probability models.
 - c. **Logit and Probit models.**
 - d. Logit, Probit and Linear probability models.
 3. Logit and Probit models could be estimated by _____ method:
 - a. any estimation.
 - b. OLS
 - c. Generalized Least Squares
 - d. **Maximum Likelihood**
 4. Which of the following are situations where we would be inclined to use logit or probit models?:
 - a. **predicting the likelihood that a house will be burgled using a sample of 480 households over a 12-month period.**
 - b. analyzing how many Olympic medals have been won by different nations in the last 10 Olympics.
 - c. the Colombian consumption function using aggregate national data for 1970-2009.
 - d. None of the above.
 5. The linear probability model, for having a binary dependent variable, violates one of the Gauss-Markov Assumptions. Which of the assumptions is violated:
 - a. **$\text{Var}(\varepsilon_i) = \sigma^2$**
 - b. $E(\varepsilon_i \varepsilon_j) = 0$
 - c. $E(\varepsilon_i) = 0$.
 - d. All of the above.