

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)

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

Answer a

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

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

Answer c

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

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

Answer d

4. A weak test means:

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

Answer a

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

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

Answer d