

Quiz # 3
Chapter 3,4 and 5
Suggested Answers
Group 1
Econometrics 06216

Name _____

Choose the most correct answer

You have 5 minutes to solve out this quiz

1. For the model $\ln(Y_i) = \beta_0 + \beta_1 \ln(X_i) + \varepsilon_i$, the coefficient β_1 represents:
- The elasticity of Y with respect to X.
 - The change in X due to a unit change in Y
 - The change in Y due to a unit change in X
 - None of the above.

Answer: a)

2. Which elements are necessary to build a confidence intervals
- A point estimate and an estimated standard error for the point estimator
 - A point estimate and a probabilistic normal distribution
 - A point estimate and an estimated standard error for any point estimator
 - None of the above

Answer: a)

3. A good representation for R^2 is:

- $R^2 = 1 - \frac{\sum e_i}{\sum y_i}$
- $R^2 = 1 - \frac{\sum e_i^2}{\sum y_i}$
- $R^2 = 1 - \frac{\sum e_i^2}{\sum y_i^2}$
- $R^2 = 1 - \frac{\sum e_i}{\sum y_i^2}$

Answer: c)

4. If an estimator is BLUE, it means that:
- The OLS estimator is unbiased, less efficient than any other linear estimator and consistent.
 - Its expected value is different to the true value of the parameter that it estimates and is more efficient than any other linear estimator and consistent.

- c. The OLS estimator is biased, linear, and more efficient than any other linear estimator.
- d. None of the Above.

Answer: d)

5. A prediction interval is:
- a. Interval guesses for the coefficient estimates
 - b. Interval guesses for forecasts
 - c. Interval guesses for variance formulation
 - d. An Interval for variance measurement

Answer: b)