

Quiz # 7
Chapter 10
Group 3
Econometrics 06216

1. One of these steps is NOT part of the White Test:
 - a. Compute the R2 from the estimation of errors and the explanatory variables
 - b. Compute the OLS residuals
 - c. Choose the set of m variables with which we assume the σ_i^2 vary
 - d. None of the above.

Answer: C
2. Fill the blank: In presence of Heteroskedasticity, if the Gauss Markov assumption _____ is not preserved, the OLS doesn't remain unbiased.
 - a. $E(\varepsilon_i) = 0$
 - b. $\text{cov}(\varepsilon_1, \varepsilon_1) = 0$
 - c. The heteroskedasticity is corrected by the White Approach
 - d. None of the above

Answer: a
3. One of the most important condition to accomplish the Goldfeld – Quant Test is:
 - a. The underlying disturbances must be normally distributed
 - b. The total number of observations must be distributed in m groups
 - c. The R2 has to be positive
 - d. The null hypothesis must be rejected

Answer: A
4. Which of the following are possible causes of heteroskedacity
 - a. Functional form errors
 - b. Data grouped into unequal size groups
 - c. Omitted variables
 - d. All the above

Answer: D
5. Under the null hypothesis of no heteroskedasticity, the Goldfeld – Quandt test statistic is close to:
 - a. Minus one.
 - b. Zero.
 - c. Two.
 - d. None of the above.

Answer d)