

Quiz # 2
Chapter 1 and 2
Suggested Answers
Group 3
Econometrics 06216

Name _____

- Choose the most correct answer
 - You have 5 minutes to solve out this quiz
1. If an econometrician said: “I use estimation methods that are guaranteed to be right, on average”. This means that:
 - a. The econometrician uses an estimator that is consistent
 - b. The econometrician uses an estimator that is unbiased**
 - c. The econometrician uses an estimator that is efficient
 - d. All of the above.
 2. One statement that exemplify a data-generating process is:
 - a. $Y_i = \beta + \varepsilon_i$**
 - b. $E(\varepsilon_i) = 0$
 - c. $\text{var}(\varepsilon_i) = 0$
 - d. a. and b.
 3. In a simple linear regression model the slope coefficient measures
 - a. the elasticity of Y with respect to X
 - b. the value of Y for any given value of X
 - c. the change in Y predicted by the model for a unit change in X**
 - d. the ratio Y/X
 4. One of the reasons to use the Sum of Square deviations is that:
 - a. The sum of the deviation is equal to Expected value (Zero).
 - b. It captures the idea to minimize the differences between small and large discrepancies.
 - c. It generates only positive values and it tends to give more weight to large discrepancies than to small ones.**
 - d. All the above.
 5. Complete

We need estimation when we have _____ information, when we observe _____ from population, _____ population.

- a. Incomplete, only a sample, not entire.**
- b. Complete, the entire population, not a sample from.
- c. Complete, only a sample, not entire.
- d. Incomplete or complete, only a sample, or entire population.