

Quiz # 9
Econometrics 06216

Name _____

- Choose the **MOST CORRECT** answer
 - You have 5 minutes to solve out this quiz
1. "Autocorrelation problems **are usually present** in models that employ, mainly, cross-sectional data"
 - a. This affirmation is true, because with time, some data could depend of the previous data.
 - b. This affirmation is true because cross-sectional data are autocorrelated per se.
 - c. This affirmation is false because cross-sectional data have correlations caused by relations between variables, not errors.
 - d. **None of the above.**
 2. Autocorrelation is a problem of:
 - a. Variables that present high correlations between them.
 - b. **Disturbances with correlations between them.**
 - c. Coefficients that present high correlations between them.
 - d. Dependent and independent variables with correlations between them.
 3. In presence of autocorrelation:
 - a. All OLS estimators are unbiased.
 - b. **OLS estimators of coefficients are unbiased.**
 - c. All OLS estimators are biased.
 - d. OLS estimators of coefficients are biased.
 4. To correct a model with autocorrelation problems:
 - a. You employ OLS.
 - b. **You employ FGLS.**
 - c. You subtract the proportion of past errors, that influences actual error, making no modification to the other variables.
 - d. None of the above
 5. Which of the following statements is false:
 - a. There can be serial correlation different to first order.
 - b. **When DW tends towards 4 there is strong positive serial correlation.**
 - c. The Durbin-Watson (DW) test is not the only test that is used to check serial correlation.
 - d. Serial correlation can be negative.