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

Name______________________________

- Choose the most correct answer
- You have 5 minutes to solve out this quiz

1. A Stochastic variable may be:
    a. A variable that takes a few possible values
    b. A variable that takes a specific number of values
    c. A variable that takes a several possible values
    d. All of the above.

    Answer: d)

2. If the disturbances are homoskedastic, it can be said that:
    a. The errors have the same mean
    b. The errors have the same variance
    c. The errors have different variance
    d. The errors have different mean

    Answer: 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

    Answer: c)

4. An estimator is unbiased if:
    a. Its guesses are right
    b. The estimator get closer to the true parameter value as the size of the sample increases
    c. All of the above
    d. None of the above

    Answer: d)

5. An estimator is efficient if:
    a. It is unbiased and gets closer to the true parameter value as the size of the sample increases
    b. It is unbiased and its variance gets smaller as the size of the sample increases
    c. It is unbiased and has the lowest variance than any other biased estimator

d. None of the above

Answer: d)