

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

Name _____

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

1. If an estimator is BLUE, it means that:
 - a. The OLS estimator is unbiased, less efficient than any other linear estimator and consistent.
 - b. 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)

2. One of the assumptions of Gauss Markov theorem is :
 - a. $E(\varepsilon_i) = \varepsilon_i$
 - b. $Var(\varepsilon_i) = \delta_i^2$
 - c. The errors must be correlated
 - d. None of the Above

Answer: d)

3. A R^2 with a excluded intercept explains:
 - a. The % of Y that is explained by X
 - b. How good the fit is in the regression
 - c. How small the errors are.
 - d. None of the above.

Answer: d)

4. A high R^2 implies:
 - a. The estimator is unbiased
 - b. The estimator is efficient
 - c. The Estimator is BLUE
 - d. None of the above

Answer: d)

5. A good representation for R^2 is:

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

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

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

d. None of the Above

Answer: b)