

Problem Set-2

Due by Cotober 1, Thursday

Answer the following exercises from Stock and Watson

1) 5.1a and 5.1d, page 174

2) 5.2, page 175 (You do not need to compute the p - *value* for part b)

3) 5.3, page 175

4) 5.5, page 176

5) 5.6, page 176

6) 5.7, page 177

7) 5.13, page 178

8) On my website (faculty.unlv.edu/oeren), you will find a subset of the original data file CPS04 from Stock and Watson (same data that you have used for PS-1). Use that data set to answer the empirical exercise E.5.1 a, b ,c and d (You can not use the original data set, which is available at www.aw-bc.com/stock_watson, since you have Small STATA and the original data contains more than 1,000 observations). A detailed description is given in CPS04_Description, also on my website.

9) On my website (faculty.unlv.edu/oeren), you will find a subset of the original data file College Distance from Stock and Watson (same data that you have used for PS-1). Use that data set to answer the empirical exercise E.5.3 a, b, c and d (You can not use the original data set, which is available at www.aw-bc.com/stock_watson, since you have Small STATA and the original data contains more than 1,000 observations). A detailed description is given in CollegeDistance_Description, also on my website.