

ECO 441 Fall 2011

Problem Set-2

Answer the following exercises from the Stock and Watson textbook

1) 5.1a and 5.1d

2) 5.2 (You do not need to compute the $p - value$ for part b)

3) 5.3

4) 5.5

5) 5.6

6) 5.7

7) 5.13

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 since it contains more than 1,000 observations). A detailed description is given in CPS04_Description, which is also available on my website.

9) E5.2 (You can ignore the $p - value$ part of the question).