

Problem Set-4

Answer the following exercises from Stock and Watson

1) 7.1, page 246.

2) 7.2, page 246.

3) 7.3, page 246.

4) 7.4 **a**, page 246.

5) 7.8 **a and b**, page 249.

6) 7.10, page 249.

7) On my website (faculty.unlv.edu/oeren), you will find a subset of the original data file CPS04 from Stock and Watson. Use that data set to answer the empirical exercise E.7.1 (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.

8) On my website (faculty.unlv.edu/oeren), you will find a subset of the original data file College Distance from Stock and Watson. Use that data set to answer the empirical exercise E.7.3 (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.