

BOSTON COLLEGE
Department of Economics
EC 228 02 Econometric Methods
Prof. Baum, Ms. Hristakeva, Fall 2010

Problem Set 1
Due at classtime, Wednesday 22 September 2010

Problem sets should be your own work. You may work together with classmates, but if you're not figuring this out on your own, you will eventually regret it. You may find it useful to review Wooldridge Appendix C before attempting these problems.

1. Appendix A, problem A.7
2. Appendix B, problem B.2
3. Appendix B, problem B.5
4. Appendix C, problem C.1
5. Appendix C, problem C.6

You must use Stata to do the following problem, but will not make use of the RAW files listed in the text, as all of these data are available in Stata format over the Internet. Please consult the "Wooldridge datasets: descriptions and access commands" link on the course home page. All you need to do is copy the "use http://fmwww.." line from each dataset to be used into Stata's command window. The name of each dataset is that given in the text, without the .RAW extension; e.g. WAGE.RAW is referred to as just `wage` (with no period nor extension). Remember: Stata is case sensitive.

Hand in a printout from Stata, annotated with your comments. (It would be easiest if you would create a single do-file which answers all the questions and produces a single printout). The "log" icon in the Stata toolbar may be used to create a file containing both your commands and Stata's response. Use the 'Viewer' within Stata to examine and print the log.

1. Chapter 1, problem C1.1