

BOSTON COLLEGE
Department of Economics
EC 327 Financial Econometrics
Prof. Baum, Mr. Park, Spring 2013

PROBLEM SET 2

Due at classtime, Monday 25 February 2013

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.

For the Stata problems, you 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. You only need use the `bcuse` command to access them from within Stata.

For each of the empirical problems, hand in a printout from Stata, annotated with your comments. The "log" icon in the Stata toolbar may be used to create a file containing both your commands and Stata's response. It may be easier to work with a text-format log; the command `log using ps2.log, replace` will create a text log. Use the 'Viewer' within Stata to examine and print the log.

Note: the problem numbers below are the same in Wooldridge 4th and 5th eds.

1. 13.5
2. 13.6
3. 13.C1
4. 13.C2
5. 13.C4
6. 13.C5
7. 13.C7
8. 13.C8