

BOSTON COLLEGE  
Department of Economics  
EC 327 Financial Econometrics  
Prof. Baum, Mr. Zago, Spring 2014

PROBLEM SET 4

**Due at classtime, Monday 7 April 2014**

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.

1. Chapter 11, problem 7
2. Chapter 11, problem 8
3. Chapter 11, problem C3
4. Chapter 11, problem C11
5. Chapter 18, problem 6
6. Chapter 18. problem C2
7. Chapter 18, problem C5
8. Chapter 18, problem C11
9. Chapter 18, problem C13