

BOSTON COLLEGE
Department of Economics
ECON2228 03 Econometric Methods
Prof. Baum, Spring 2015

Problem Set 1
Due at classtime, Monday 26 January 2015

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 (5th ed.) Appendices A, B, C before attempting these problems. You should be familiar with this material from EC 151.

1. Appendix A, problem A.7
2. Appendix A, problem A.10
3. Appendix B, problem B.2
4. Appendix B, problem B.4
5. Appendix C, problem C.1
6. Appendix C, problem C.6
7. You must use Stata from <http://apps.bc.edu> to do the following problem, which makes use of the Wooldridge dataset `wage1`. To load it into Stata, give the command `bcuse wage1`. If you are using a personal copy of Stata, you must `ssc install bcuse` once, and then that command will be accessible.
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.
The `wage` variable is measured in dollars and cents.

- (a) How many females are there in this dataset?
- (b) What is the average wage earned by a female?
- (c) What is the median wage earned by a female?
- (d) How many nonwhites are there in this dataset?
- (e) How much more or less do nonwhites earn, on average, than whites?

Hints: within Stata, `help tab`, `help summarize`