BOSTON COLLEGE

Department of Economics

ECON2228 03 Econometric Methods

Prof. Baum, Mr. Zhang, Spring 2015

Problem Set 2

Due at classtime, Wednesday 18 February 2015 (revised)

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.

1. Problem 2.4

2. Problem 2.5

3. Problem 2.6

4. Problem 2.11

5. Exercise C2.5

6. Exercise C2.7

7. Problem 3.1

8. Problem 3.4

9. Problem 3.10

10. Exercise C3.6

For some of these problems (those referencing the Wooldridge datasets), you must use Stata, 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. Access the files with the `bcuse` command, e.g., `bcuse wage1` from within Stata. Hand in a printout from Stata, annotated with your comments.

I recommend you construct (and save) a Stata do-file that performs the analysis; that way you can redo it if necessary without retracing your steps. 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' will create a text log. If you save the log, you can access it from your appsstorage.bc.edu directory without connecting to apps.bc.edu or running Stata. Please hand in the log file (not the do-file!)

If you want to annotate your do-file to discuss the results, note that the sequence

```
/*
this is a comment.
it can be as long as you want.
any number of lines, delimited this way.
*/
```

can be used to make extended comments.