SIMON FRASER UNIVERSITY
Department of Economics

Econ 435   Prof. Kasa
Quantitative Methods in Economics   Fall 2002

PROBLEM SET 1 - Simple Bivariate Regression
(Due September 13)

1. Suppose you are developing a model to explain savings behavior as a function of the level of interest rates. Would you rather sample during a period of fluctuating interest rates or during a period of stable interest rates? Explain.

2. Do Problem 2.3 in Wooldridge (pg. 62). (Note, do <u>not</u> enter the data into a file and use the computer. Use a caculator or a sharp pencil.)

3. Do Computer Exercise 2.11 in Wooldridge (pg. 65). This uses the data set CEOSAL2.WF1.

4. Do Computer Exercise 2.13 in Wooldridge (pgs. 65-66). This uses the data set WAGE2.WF1.