

SIMON FRASER UNIVERSITY  
Department of Economics

Econ 835  
Quantitative Methods

Prof. Kasa  
Fall 2002

PROBLEM SET 1 - Simple Bivariate Regression  
(Due September 20)

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 not enter the data into a file and use the computer. Use a calculator 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.