

## Homework #5

Due Friday November 4, 2011

Econ B2000, MA Econometrics

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For this exercise your study group may hand in a single assignment. When submitting assignments, **please include your name and the assignment number as part of the filename**. Please write the names of your study group members at the beginning of your homework. These assignments will be made public and available to all members of the class.

1. Who are the people in your study group?
2. What topic do you think you would like to have for your final project? Find another academic article and write a short (about a page) review. (*One article per person so a 3-person study group would write 3 reviews of 3 articles.*)
3. Please use the CPS data (available from InYourClass, the "Kevin Foster SPSS" group) to run some regressions explaining wages (carefully define your group – are you looking at all workers or all fulltime or all parttime?). Compare the heteroskedasticity-consistent errors with the homoskedastic errors. Labor econometricians commonly use  $\ln(\text{wage})$  as the dependent; explore this – what changes?
4. Please complete Exercise 6.5 from the Stock & Watson textbook.