

Homework

Econometrics

September 4, 2003

1 General Instructions

You may turn in your answers in the form of annotated notes made on your output. Otherwise, make sure your results and answers are easy to identify and supported by relevant programs and output. In order to obtain credit for the exercises you must turn in both the programs and output. Each of the hypothesis tests need to be carried out fully, meaning that you should state the null and alternative hypotheses, the distribution of your test statistic under the null hypothesis, your decision criterion, and your decision. Unless otherwise stated, conduct all hypothesis tests at the 5% level.

Problem 1

Read the data from Table F2.2 (see (Greene 2003)) into SAS and compute summary statistics using Proc Means. Use both the infile method (for ascii files) as well as Proc Import (Excel spreadsheets). This one should be easy since there is an example program on my website.

Repeat the exercise using EViews.

Problem 2

Data on gasoline consumption in the United States from years 1960-1995 appear in table F2.2 (see (Greene 2003)). The variables are:

- G = total gasoline consumption

- P_g = the price of gasoline
- Y = per capita disposable income
- P_{nc} = price index of new cars
- P_{uc} = price index of use cars
- P_{pt} = price index of public transportation
- P_d = price index of durable goods
- P_n = aggregate price index of nondurable goods
- P_s = aggregate price index of consumer services

Complete exercise 11 in chapter 4 of Greene (2003) using Proc Autoreg in SAS.

References

Greene, William H., *Econometric Analysis*, 5th ed., Prentice-Hall, 2003.