

Econometrics

Lecture 7: Extension of Simple Regression: Functional Forms I Quiz

1. The intercept term is _____ hence this regression is named as regression through the origin.
2. To test the relationship between Y (dependent) and X (explanatory) variables, which of the following graph best suited?
 - a. Histogram
 - b. scatterplot
 - c. bar graph
 - d. none of the above
3. If $w_1 = w_2$, that is, the scaling factors are identical, the slope coefficient and its standard error remain the same. True / False
4. r^2 value is invariant to changes in the unit of measurement, as it is a pure, or dimensionless, number. True/ False
5. What is an interesting property of a standardized variable?
6. Can r^2 can be negative? Explain

- An interesting property of a standardized variable is that its mean value is always zero and its standard deviation is always 1.