

# Econometrics

## Lecture 15: Dummy Variables in Multiple Regression

### Solutions

1. Analysis of covariance (ANCOVA) models includes both quantitative and qualitative, or dummy, regressors. **True** / False
2. When the intercepts in the two regressions are different but the slopes are the same. In such case the regression is called parallel regressions
  - a) **parallel regressions**
  - b) coincident regressions
  - c) concurrent regressions
  - d) dissimilar regressions
3. The differential slope coefficient is also called **slope drifter**.
4. When the two regressions have the same intercept, that is, the two regressions are called concurrent regressions. **True** / False
5. What do you mean by interaction dummy?  
**Interaction dummy i.e., the product of two qualitative or DV variables modifies the effect of the two attributes considered individually (i.e., additively).**
6. What are the four components of time series data?  
**A time series may contain four components: (1) seasonal, (2) cyclical, (3) trend, and (4) strictly random.**