

Homework 3

- Construct added variable plots for all relevant variants of regressors in the correctly weighted model and give interpretations.
- Ericsson et al. (1998) have reestimated the model on an extended database till 1993. Replicate their results with phase-average data and discuss differences to the previous estimation.
- Perform a Goldfeld-Quandt test for heteroscedasticity for the above.
- What are the particular difficulties in comparing weighted least squares Regressions?