Homework 6

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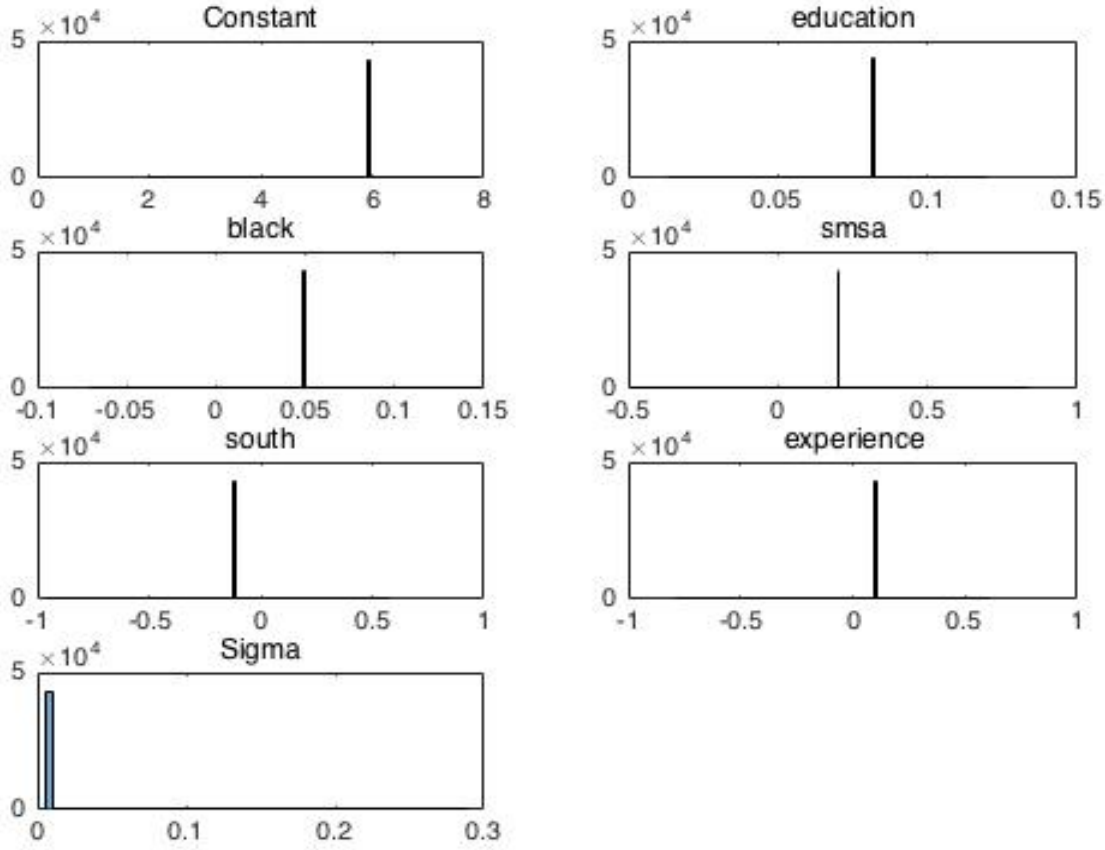
November 21, 2017

First we run the OLS regression of log wages on education, experience, dummy variables for SMSA status, race and region. Find the estimates for coefficients $\hat{\beta}$ and standard errors, also the estimate of the standard deviation of the residuals $\hat{\sigma}_\epsilon$.

For the first part, using a flat prior for all parameters and plot the histogram: For the



second part, using a prior for education, and get the histogram:

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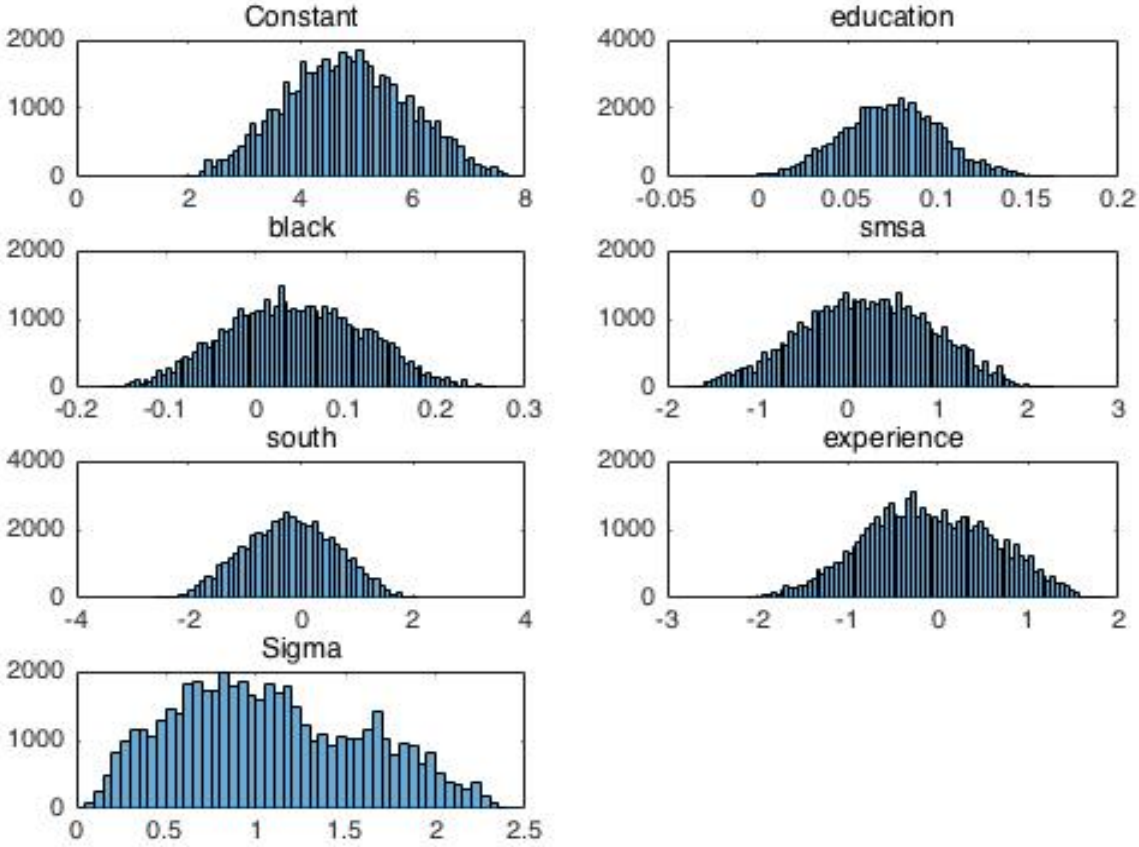

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