

$$a) \Pr(\text{resp}_i=0 | \text{male}_i=1, \text{active}_i=1, \text{age}_i=50) \approx \frac{1}{1 + \exp(-2.49 + 0.95 + 0.91 + 0.07 \times 50 - 0.07 \times (\frac{50}{10})^2)}$$

$$\approx 0.25$$

$$\text{elasticity} = \Pr(\text{resp}_i=0 | \text{male}_i=1, \text{active}_i=1, \text{age}_i=50) \cdot \text{active}_i \cdot \beta_2$$

$$\approx 0.25 \times 1 \times 0.91 \approx 0.22$$

$$\text{elasticity} = \Pr(\text{resp}_i=0 | \text{male}_i=1, \text{active}_i=0, \text{age}_i=50) \cdot \text{active}_i \cdot \beta_2$$

$$= 0$$

$$b) \exp(\beta_2 \text{active}_i) \exp(\beta_0 + \beta_1 \text{male}_i + \beta_3 \text{age}_i + \beta_4 (\text{age}_i/10)^4) = \exp(\beta_2 \text{active}_i) z_i$$

$$\frac{\Pr(\text{resp}_i=0 | \text{active}_i=1) \cdot \Pr(\text{resp}_i=1 | \text{active}_i=0)}{\Pr(\text{resp}_i=1 | \text{active}_i=0)} = \frac{\frac{\exp(\beta_2) z_i}{1 + \exp(\beta_2) z_i} - \frac{z_i}{1 + z_i} \times \frac{(1+z_i)}{z_i}}{\frac{z_i}{1+z_i} \times \frac{(1+z_i)}{z_i}}$$

$$\frac{\exp(\beta_2)(1+z_i)}{1 + \exp(\beta_2) z_i} - 1 = \frac{\exp(\beta_2)(1+z_i) - (1 + \exp(\beta_2) z_i)}{1 + \exp(\beta_2) z_i}$$

$$= \frac{\exp(\beta_2) - 1}{1 + \exp(\beta_2) z_i}$$

$$= (\exp(\beta_2) - 1) \times \frac{1}{1 + \exp(\beta_2) z_i}$$

$$= (\exp(\beta_2) - 1) \times \Pr(\text{resp}_i=0 | \text{active}_i=1)$$

$$C) \frac{\Pr[\text{resp}_i = 1 | \text{active}_i = 1] - \Pr[\text{resp}_i = 1 | \text{active}_i = 0]}{\Pr[\text{resp}_i = 1 | \text{active}_i = 0]} = (\exp(\beta_2) - 1) \Pr[\text{resp}_i = 0 | \text{active}_i = 1]$$

$$(\exp(\beta_2) - 1) \Pr[\text{resp}_i = 0 | \text{active}_i = 1, \text{age}_i = 50, \text{male}_i = 1] =$$

$$(\exp(0.91) - 1) \frac{1}{1 + \exp(-2.49 + 0.95 + 0.91 + 0.07 \times 50 - 0.07 \times (\frac{50}{10})^2)}$$

$$\approx 1.48 \times 0.24 \approx 0.35$$