Lab 15.1

Eli Sakov

a. Mean and standard deviation of IP Growth rate in percentage points

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| --- | --- | --- | --- | --- | --- |
| Variable | Obs | Mean | Std. Dev. | Min | Max |
| ip\_growth | 755 | .2498258 | .9870998 | -4.035852 | 6.232522 |

b. Many values of Oilt are equal to zero because most of the time there is no oil price shock. There are no negative values because there has not been a negative price shock.



C. Distributed Lag Model

A HAC standard truncation parameter of 6 was chosen by the rule of thumb: m = 0.75 \* T^(1/3) where T is the number of observations



d. The coefficients on Oilt are statistically significant from zero with an F-statistic of 1.84 and a p-value of .0178

e. Graphs showing the estimated dynamic multipliers, cumulative multipliers, and 95% confidence intervals





These multipliers are large in a real-world sense.

f. Oilt is not exogenous. The multipliers are not reliable.