This represents the price of the stock you want to analyse to decide whether to invest in one of the two assets or both.

To the above aim, perform the following task:

* **Test** the hypothesis that the intercept is equal to zero. T - test
* **Test** the hypothesis that the beta coefficient is equal to one. T - test
* **Test** the joint hypothesis that the intercept is equal to zero and that the beta coefficient is equal to one. F - test
* **Perform** diagnostic testing.

You will be given some data in association with an economic theory, for which you must estimate the coefficients of interest in the classical linear regression model. You will be asked to conduct a series of hypothesis and diagnostics tests before summarising your results in a short essay (1,000 words).

**Review criteria**

**less**

You will be graded on your ability to:

● choose the appropriate test

● perform the test on the intercept

● perform the test on the beta coefficient

● perform the test on the intercept and the beta coefficient

● choose the appropriate diagnostic test.