

# FINM3123 Introduction to Econometrics

## Chapter 05

### Solution to Class exercises

1. B
2. C
3. C
4. A
5. D
6. False. Feedback: If variance of an independent variable, say  $x_1$ , is greater than 0, the inconsistency in  $\hat{\beta}_1$  (estimator associated with  $x_1$ ) is positive if  $x_1$  and the error term are positively related.