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1  * QUESTION 1:
2  summarize fincbtax
3  * Median of fincbtax
4  centile fincbtax, centile(50)
5  * Histogram of fincbtax:
6  histogram fincbtax
7  summarize fincbtax
8  display "Standard Error of the Mean (SE): " r(sd) / sqrt(r(N))
9  display "Margin of Error (95% CI): " 1.96 * (r(sd) / sqrt(r(N)))
10
11
12 * QUESTION 2:
13 generate log_fincbtax = ln(fincbtax) if fincbtax > 0
14 label variable log_fincbtax "Log of annual family income before tax"
15 summarize log_fincbtax
16 centile log_fincbtax, centile(50)
17 * Hhistogram of log_fincbtax:
18 histogram log_fincbtax
19 summarize log_fincbtax
20 display "Standard Error of the Mean (SE) for log_fincbtax: " r(sd) / sqrt(r(N))
21 display "Margin of Error (95% CI) for log_fincbtax: " 1.96 * (r(sd) / sqrt(r(N)))
22
23
24 * QUESTION 3:
25 generate log_100000 = ln(100000)
26 * The probability of log_fincbtax being greater than log(100000)
27 generate prob_gt_100000 = normal(r(mean) - log_100000)
28 * The actual fraction of the sample that has income greater than 100000
29 generate income_gt_100000 = fincbtax > 100000
30 summarize income_gt_100000
31 display "Fraction of sample with income > 100,000: " r(mean)
32 display "Probability of log_fincbtax > log(100,000) (Normal Approximation): " 1 - normal(r(mean) -
log_100000)
33
34
35 * QUESTION 4:
36 summarize vehq
37 display "Mean of vehq: " r(mean)
38 display "Variance of vehq (SD^2): " r(sd)^2
39 * Histogram of vehq:
40 histogram vehq, width(1) frequency
41 display "For Poisson: Mean and Variance should be approximately equal."
42
43
44 * QUESTION 5:
45 summarize vehq
46 scalar mean_vehq = r(mean)
47 scalar variance_vehq = r(sd)^2
48 scalar lambda = (mean_vehq + variance_vehq) / 2
49 display "Lambda (Poisson parameter): " lambda
50 * The Poisson probability for k <= 3
51 scalar poisson_prob = poisson(lambda, 3)
52 display "Poisson Probability (k <= 3): " poisson_prob
53 * The actual fraction of sample with vehq <= 3
54 generate vehq_leq3 = vehq <= 3
55 summarize vehq_leq3
56 scalar actual_fraction = r(mean)
57 display "Actual Fraction of Sample with vehq <= 3: " actual_fraction
58 display "Comparison:"
59 display "Poisson Probability (k <= 3): " poisson_prob
60 display "Actual Fraction of Sample (vehq <= 3): " actual_fraction

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