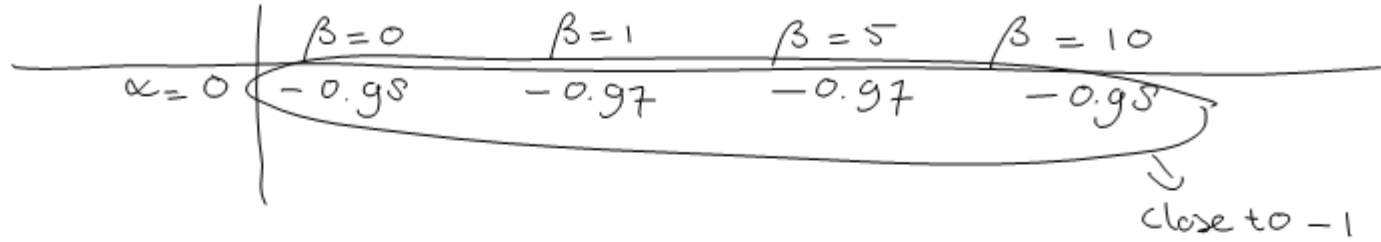


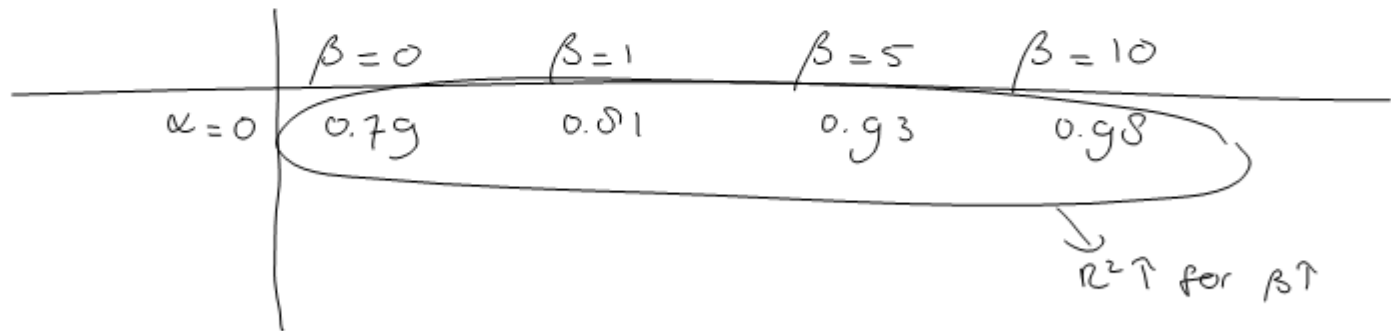
a) $\alpha = 0$

price coefficients:



price \neq endogenous, as event does not influence sales directly

R^2 :



for higher $\beta \rightarrow$ variation in sales increases
explained by the price

b) $\beta = 0$

price coefficients:

	$\beta = 0$	$\beta = 1$	$\beta = 5$	$\beta = 10$
$\alpha = 0$	-0.98	-0.97	-0.97	-0.98
$\alpha = 1$	-0.97			
$\alpha = 5$	-0.94			
$\alpha = 10$	-0.91			

close to -1

price \neq endogenous, as the event only affects sales, not price
 omission of Event \rightarrow corr(error, price)

R^2 :

	$\beta = 0$	$\beta = 1$	$\beta = 5$	$\beta = 10$
$\alpha = 0$	0.79	0.81	0.93	0.98
$\alpha = 1$	0.72			
$\alpha = 5$	0.24			
$\alpha = 10$	0.08			

$R^2 \downarrow$ for $\alpha \uparrow$

large estimation uncertainty

high $\alpha \rightarrow$ a lot of variation in sales due to the event

c) $\alpha = \beta = 0, 1, 5, 10$

price coefficients:

	$\beta = 0$	$\beta = 1$	$\beta = 5$	$\beta = 10$
$\alpha = 0$	-0.98	-0.97	-0.97	-0.98
$\alpha = 1$	-0.97	-0.87		
$\alpha = 5$	-0.94		-0.27	
$\alpha = 10$	-0.91			-0.09

see endogeneity

Omission of Event \rightarrow corr(error, price)

R^2 :

	$\beta = 0$	$\beta = 1$	$\beta = 5$	$\beta = 10$
$\alpha = 0$	0.79	0.81	0.93	0.98
$\alpha = 1$	0.72	0.71		
$\alpha = 5$	0.24		0.21	
$\alpha = 10$	0.08			0.06