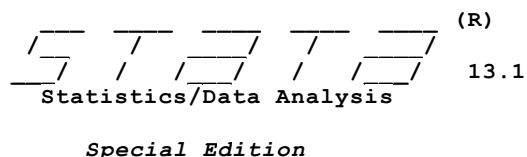


User: Parmveer N
Project: Assignment 3



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Notes:

1. (/v# option or -set maxvar-) 5000 maximum variables

```
1 . use "\\Client\C$\Users\parmy\Documents\Parmveer's Folder\Econ 3210\assignment 3\WAGE
> 2.DTA", clear

2 . gen x = ln(wage)

3 . regress x educ IQ
```

Source	SS	df	MS	Number of obs = 935		
Model	21.4779447	2	10.7389723	F(2, 932) = 69.42		
Residual	144.178339	932	.154697788	Prob > F = 0.0000		
				R-squared = 0.1297		
				Adj R-squared = 0.1278		
Total	165.656283	934	.177362188	Root MSE = .39332		

x	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
educ	.0391199	.0068382	5.72	0.000	.0256998	.05254
IQ	.0058631	.0009979	5.88	0.000	.0039047	.0078215
_cons	5.658288	.0962408	58.79	0.000	5.469414	5.847162

```
4 . regress educ IQ
```

Source	SS	df	MS	Number of obs = 935		
Model	1198.55887	1	1198.55887	F(1, 933) = 338.02		
Residual	3308.26038	933	3.54583106	Prob > F = 0.0000		
				R-squared = 0.2659		
				Adj R-squared = 0.2652		
Total	4506.81925	934	4.82528828	Root MSE = 1.883		

educ	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
IQ	.0752564	.0040933	18.39	0.000	.0672233	.0832896
_cons	5.8463	.4191273	13.95	0.000	5.023758	6.668841

5 . predict resid, residual

6 . di resid
- .8451488

7 . regress x resid

Source	SS	df	MS	Number of obs = 935		
Model	5.06285075	1	5.06285075	F(1, 933) = 29.41		
Residual	160.593432	933	.172125865	Prob > F = 0.0000		
				R-squared = 0.0306		
				Adj R-squared = 0.0295		
Total	165.656283	934	.177362188	Root MSE = .41488		

x	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
resid	.0391199	.0072131	5.42	0.000	.0249641	.0532757
_cons	6.779004	.013568	499.63	0.000	6.752376	6.805631

8 . regress x IQ

Source	SS	df	MS	Number of obs = 935		
Model	16.4150939	1	16.4150939	F(1, 933) = 102.62		
Residual	149.241189	933	.159958402	Prob > F = 0.0000		
				R-squared = 0.0991		
				Adj R-squared = 0.0981		
Total	165.656283	934	.177362188	Root MSE = .39995		

x	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
IQ	.0088072	.0008694	10.13	0.000	.007101	.0105134
_cons	5.886994	.0890206	66.13	0.000	5.712291	6.061698

9 . predict resid1, residual

10 . di resid1
- .06096878

11 . regress resid1 resid

Source	SS	df	MS	Number of obs = 935		
Model	5.0628507	1	5.0628507	F(1, 933) = 32.76		
Residual	144.178338	933	.154531981	Prob > F = 0.0000		
				R-squared = 0.0339		
				Adj R-squared = 0.0329		
Total	149.241189	934	.15978714	Root MSE = .39311		

resid1	Coef.	Std. Err.	t	P> t	[95% Conf. Interval]	
resid	.0391199	.0068345	5.72	0.000	.025707	.0525328
_cons	3.16e-10	.0128559	0.00	1.000	-.0252299	.0252299

12 .