Erasmus School of Economics

MOOC Econometrics

Training Exercise 1.3

Notes:

- This exercise uses the datafile `TrainExer13` and requires a computer.
- The dataset `TrainExer13` is available on the website.

Questions

Dataset TrainExer13 contains the winning times (W) of the Olympic 100-meter finals (for men) from 1948 to 2004. The calendar years 1948-2004 are transformed to games (G) 1-15 to simplify computations. A simple regression model for the trend in winning times is $W_i = \alpha + \beta G_i + \varepsilon_i$.

(a) Compute a and b, and determine the values of R^2 and s.

(b) Are you confident on the predictive ability of this model?
Motivate your answer.

(c) What prediction do you get for 2008, 2012, and 2016?
Compare your predictions with the actual winning times.