Q1.

The model includes Gender as well as an interaction between Gender and GPA. The positive coefficient of Gender indicates that, at very low values of GPA, females tend to have a higher starting salary than males. However, the interaction between GPA and Gender has a negative coefficient, which means that the effect of GPA on salary is smaller for females than for males.

As GPA increases, the salary of males rises faster than that of females. Therefore, although females may earn more at lower GPA levels, males will earn more once GPA becomes sufficiently high.

Conclusion

For fixed values of IQ and GPA, **males earn more on average than females provided that the GPA is high enough**.

Correct answer: (c)