**Problem Set 3 Heteroscedasticity**

1. Table below gives average wages Y and the number of workers employed X by 30 firms in an industry:

|  |  |
| --- | --- |
| **Average Wages** | **Number of workers employed** |
| 8.4, 8.4, 8.6, 8.7, 8.9, 9.0 | 100 |
| 8.9, 9.1, 9.3, 9.3, 9.4, 9.6 | 200 |
| 9.5, 9.8, 9.9, 10.3, 10.3, 10.5 | 300 |
| 10.3, 10.6, 10.9, 11.3, 11.5, 11.7 | 400 |
| 11.6, 11.8, 12.1, 12.5, 12.7, 13.1 | 500 |

Analyse the data and comment.