

```
*Question 3 Monte Carlo Exercise Aaron Markiewitz
cd
/Users/aaronmarkiewitz/Documents/research/stata/
econ_672
```

```
clear all
postutil clear
tempfile monte
tempfile monte_full
set seed 672
local b1 0.4
local b2 0.9
```

```
set obs 1000
gen n = _n
save `monte_full', replace
drop _all
```

```
foreach n of numlist 100 500 1000 {
```

```
postfile buffer b1_hat b2_hat using `monte', replace
```

```
forvalues i=1/1000 {
```

```
qui{
    drop _all
    set obs `n'
    gen x1 = 1
    gen x2 = 1+runiform()
    gen u = sqrt(2)*rnormal()
    gen y = `b1'*x1 + `b2'*x2 + u
    reg y x1 x2, nocons
    }
    post buffer (_b[x1]) (_b[x2])
```

```
}
```

```
postclose buffer
use `monte', clear
```

```
gen ratio_`n' = sqrt(`n')*b1_hat/b2_hat
sum ratio_`n'
```

```
gen zn_`n' = sqrt(`n') * (b1_hat/b2_hat - `b1'/'b2')
/(r(sd))
gen n = _n
```

```
merge 1:1 n using `monte_full', nogen
save `monte_full', replace
}
```

```
use `monte_full', clear
```

```
sum zn*
```

```
local c = 1
foreach n of numlist 100 500 1000 {
```

```
kdensity zn_`n', subtitle("`n': Simulations: 1000")
graph copy plot `c', replace
graph export "Plot `c'.pdf", replace as(pdf)
```

```
local ++c
```

```
}
```

```
graph combine plot1 plot2 plot3
graph export "acm_plot.pdf", replace as(pdf)
*/
```

```
*Question 6
```

```
clear all
bcuse attend
reg stndfnl atndrte frosh soph
outreg2 using attend.doc, replace ctitle(1) label
```

```
reg stndfnl atndrte ACT priGPA frosh soph
outreg2 using attend.doc, append ctitle(2) label
```

```
gen ACT_2 = ACT^2
gen priGPA_2 = priGPA^2
gen atndrte_2 = atndrte^2
```

```
reg stndfnl atndrte ACT* priGPA* frosh soph
outreg2 using attend.doc, append ctitle(3) label
```

```
test ACT ACT_2
test priGPA priGPA_2
```

```
reg stndfnl atndrte* ACT* priGPA* frosh soph
outreg2 using attend.doc, append ctitle(4) label
test ACT ACT_2
test priGPA priGPA_2
test atndrte atndrte_2
```