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| ***Chapter*** | ***Question*** | ***Answer*** |
| 1 | What is a demand equation | quantity or budget on the left side (regression) . |
| 1 | Why the focus on wealth effects | Wealth effects are a key element of how future consumption of quality would evolve |
| 1 | What is Hick's commodity theorem (show in the thesis) | see Page 11 - a group of goods behave as if they were a single commodity so long as the prices of the group of goods changes in the same proportion |
| 1 | Why the regression for different quantities | All values over a quantity are averaged - then regressed as a best fit - there are enough values in the same quantity. The variation in enum-areas is more than the variation in quantities. We are really just taking averages per district and we're interested in district level variation. The data is not detailed enough for a district-level clustering. |
| 1 | Why does the intra-district variation does not matter | We're interested in (within-) country level variation. |
| 1 | What does the signifiance of wealth effects for quality mean for future | Aspcon is limited. |
| 1 | Why reg3 instead of SUR | It's common to estimate SUR using FGLS - which is more general. SUR is equivalent to OLS only when error terms in equations are uncorrelated or when same indep vars exist in all equations. |
| 1 | What is Breusch Pagan statistic | It's used to check heteroskedasticity. The more popular form is where you check the unobserved effects for deciding RE or FE (Cook–Weisberg test). |
| 1 | What does the Breusch Pagan result say | There is heteroskedasticity ( but we're not looking at elasticities so economic signficance is not literally intepreted) |
| 1 | Where do the conditions of homoegeneity, symmetry and adding-up come from? | Symmetry is Slutsky Symmetry, Homogeneity in Prices, adding-up up is simply sum(w)=1. Slutsky: If hicksian demand is h(u,p) and marshallian demand is g(x,p), then dh/dp is slutsky matrix. Slutsky equation is saying that (dg/dx)\*q + dg/dp - where x is total expenditure. Notice that we don't use price index because we're not using time-series. |
| 1 | Why not Nigeria? | Urban farming instances and literature on hunger - which made it more interesting |
| 1 | What about the results for chicken? | only significant would be taken for chicken coefficients |
| 1 | What are homothetic preferences? | In terms of direct utility - u(theta\*x)=theta\*u(x) |
| 2 | How does the relationship between Wealth Differences and education vary in different economies? | HW is less important in TNZ. |
| 2 | What is a positive externality? | The sense that it's not accounted by our representative (model) consumer |
| 2 | Are we comparing among areas with varying levels of urbanisation or among countries with different levels of urbanisation? | latter |
| 2 | How is tobit estimator arrived at? | Ideally, we have a case for data truncation rather than data censoring but this distinction is not made - in what is largely a corrected regression. tobit is simply saying that education expenses fall and eventually they're so low that they're zeroed. Effectively depvar is max(beta\*x+u) where x is control-var and u is assumed normally distributed. |
| 2 | How do you calculate Gini coefficients? | Lorenz curve for income is the plot of cumulative household income share against the cumulative share of households (straightline when income equally distributed and vertical line with 1 household has all income). Gini coefficient is area between the Lorenz curve and the diagonal line of complete equality, expressed as a proportion of the triangular area between the curves of complete equality and inequality. |
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| 3 | Is W(v) long-term (for population constraint) or short-term? If so, shouldn't be wary of short-term implications from the long-term shape of W(v) | Assumption 3 i.e. that the necessary loss horizon is the same as W(v) known to the consumer is what makes this consideration possible. |
| 3 | Does W(v) need to be convex? | Yes. It would be. |
| 3 | Describe necessary condition for local-minima for a general concave function in simple words (Takayama) |  |