

Assignment 2 Answer Key
PLCY782

Question 1: Calculate a measure of total consumption and per capita consumption for each household in the 2002 round. To calculate per capita consumption, note you will have to calculate the number of individuals in each household.

Question 2: Calculate the set of poverty rates nationwide for the head count and average poverty gap, average poverty gap squared. Assume the poverty line=500 pesos per person. Provide poverty rates based on household consumption per capita.

Questions 1 & 2 solution	Value
ans1_percapcons (Per capita consumption)	1013.977
ans2_1_povpct (Head count)	0.502
ans_2_2_povgap (Poverty gap)	0.438
ans_2_3_povgapSQ (Poverty Gap Squared)	0.256

Question 3: Repeat 2) by area of residence. How does the poverty rate change by rural/urban residence?

Question 3 solution	Rural	Urban
ans3_1_povpct (Head count)	0.65	0.332
ans3_2_povgap (Poverty gap)	0.472	0.361
ans3_3_povgapSQ (Poverty Gap Squared)	0.286	0.187

Note: Question 3 Head Count Answer was originally incorrect. Check my R-code for the updated solution