1. What is the relationship of covariance and the correlation coefficient? (3pts)
2. Write down the basic regression equation with 3 independent variables. Explain each term in the equation. (4pts)
3. Suppose our independent variables are highly correlated (but not perfectly). What are the effects of this? (2pts)
4. Suppose we expect that movies that are directed by Quentin Tarantino earn more money than other movies. How do we measure this effect in a regression model? (2pts)
5. How do we capture the non-linear effects of time in a model? Explain how to interpret the coefficients(2pts)
6. Give 3 causes of bias (3pts)
7. Give 3 vectors of control that we would need if we were trying to measure the effect of 1 on 2: (4pts)

