ECON 6010 Statistical Methods
Assignment One
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Due in Drop-Box: 09/24/2018 at 11:00 PM

Salary Data for 2 years (1998-1999)
salary = salary + bonuses: **Dependent variable**
totcomp = CEO total compensation
tenure = # of years as CEO (=0 if less than 6 months)
age= age of CEO
sales = total sales revenue of firm i
profits = profts for fim i
assets = total assets of form i

salary, total compensation, tenure, and age were collected from forbes' 1999 list of Corporate America's Most Powerful People (http://www.forbes.com/ceos/)

sales, profits, and assets were collected form Fortune Magazine's 1999 Fortune 500 list (http://www.pathfinder.com/fortune/fortune500/index.html)

52 of the Fortune 500 firms were excluded because of missing data on one or more variables. Apple Computer was also excluded since Steve Jobs, the acting CEO of Apple in 1998, received no compensation during this period

Using the salary.csv data set; use Stata to answer the following: All results should be in a word document file: ONE FILE

1. **Generate the graph for the dependent variable over time (10 points)**
2. **Generate the best-fit model. (50 points):**
   Explain your reasoning if:
      1) **Used dummy variables**
      2) **Used Instrument Variables**
      3) **Used time trend**
3. **Discuss the results (Asj-Rsq, the coefficients and the significance for ALL the independent variables). (20 points)**
4. **Discuss the residual's Normal and Independent Distribution (show graphically). (20 points)**