

BPJ 2  
E-Learning 4  
Report

**Step 1 Choose your paper**

For this report assignment each group has the possibility to choose one from the following two papers (e-mail us your preference). Each paper is only available to two groups (first come, first served).

Paper 1

*Haucap etc. (2007) "Hedonic Prices in the German Market for Mobile Phones" Telecommunications Policy, Vol. 31, Issue 1, pp 4-13*

Note: The version uploaded on Moodle is a discussing paper, which is free to access but still includes some minor misspells etc. The published e-version of this paper is available on cost from ELSEVIER database.

Paper 2

*Krueger (1993) "How Computer Have Changed the Wage Structure: Evidence from Micodata, 1984-1989" The Quarterly Journal of Economics, Vol. 108, No. 1, pp. 33-60*

Note: This paper is available from JSTOR Archive, which preserves leading academic journals. It gives an excellent example of how a paper opens, raises questions, handles data, builds up, analyses critically, and concludes.

## Step 2 Write your report

Questions related to Paper 1

1. What is hedonic method?
2. What are the dependent, independent variables and dummy variables in the OLS regression model of this paper? Do these variables fit hedonic method very well? Why? Can this model omit some variables?
3. After listing the variables, do you sense a problem of multicollinearity for the regression? Where can you check for it in the paper? Is it close to your expectation?
4. What kinds of information does Table 3 give us? How to interpret them? Give some examples. *Note: "Nobs" in table 3 stands for "number of observations".*
5. What is a brand name premium? How to find it out with regression method?
6. Why do you think the logarithmic specification of the regression model gives the best fit?
7. Write out the logarithmic functional form of the regression equation, i.e.  $\ln \hat{P} = \dots$ .
8. Find out at least one more paper researching hedonic prices for mobile phones; compare the paper(s) you find with this one in terms of methods and interpretation. What are the similarities and differences?
9. Suppose you are writing a paper on hedonic prices for mobile phones in Austrian market 2016. What characteristics of mobile phones do you consider relevant for your model? Which ones of them are dummy variables? Do you prefer logarithmic or linear regression? How do you check whether your model satisfies the requirements of regression? What do you expect to find out from your model?

Questions related to Paper 2

1. Why do you think the regression models of this paper take a semi-logarithmic form?
2. What is a computer premium? How to find it out with regression method? Why is the computer premium in Table II column (1) higher than that of (2) and (3)?
3. What kinds of information does Table VI give us? How to interpret them? How do you evaluate these estimates? What are your main concerns from a statistical point of view?
4. This paper concludes that during 1980s “workers who use a computer earn roughly 10-15 percent higher pay, other things being equal”. What does “other things being equal” mean? Why is it important to hold other things equal? How does the paper reach its conclusion *step by step*?
5. Inspired by this paper, can you think up another research question? Briefly introduce your model. What data do you need for it?