

AMS 394 Homework 9 SAS

Question 1:

Use the d_logret_6stock dataset to answer the questions.

- (1) Regress the return of Pfizer on the returns of Exxon. What are the estimated coefficients?
- (2) Compute the correlation of Pfizer and Exxon, and test if their correlation is zero.

Question 2:

Given the following data:

X	Y	Z
1	3	15
7	13	7
8	12	5
3	4	14
4	7	10

2.1

- (a) Write a SAS program and compute a correlation matrix; that is, the correlation coefficient between each variable versus every other variable. What is the significance of each?
- (b) Compute the correlation coefficient between X and Y when the effect of variable Z has been removed. Is It significant?

2.2 From the data for X and Y

- (a) Compute a regression line (Y on X). Y is the dependent variable, X the independent variable.
- (b) What is slope and intercept?
- (c) Are they significantly different from zero?

2.3 Compute three new variables LX, LY and LZ, which are the natural logs of the original values. Compute a correction matrix for the three new variables. Hint: the function to compute a natural log is the LOG function.