

# Statistical test cheat sheet

→ White test (Breusch - Pagan):

$H_0$ : Homoskedastic

$H_a$ : Heteroskedastic

→ Breusch - Godfrey (BG) LM test:

$H_0$ : No AR in variable of orders 1-6

$H_a$ : Some AR in variable of orders 1-6

→ Jarque-Bera (JB) test for normality:

$H_0$ : normal distribution

$H_a$ : non-normal distribution

→ Lagrange multiplier (LM) for ARCH errors:

$H_0$ : no AR in squared error terms

$H_a$ : some AR in squared error terms

→ Ljung - Box & Box - Pierce tests:

$H_0$ : autocorrelations are equal to zero

$H_a$ : at least one AR order is not equal to zero

→ RESET test:

$H_0$ : correct functional form

$H_a$ : Incorrect functional form.

