PROBLEM SET FOUR (PS4)
(Due on November 12, Tuesday)

Part I:
Exercises 5.1, 6.1, 6.2, 6.3, 6.4 and 6.9

Part II:
Empirical Exercise: E.5.3. For this question, you need to submit your Stata outputs by printing out the regression outputs directly. Then you need answer all the questions one by one.
You can download the data from Canvas.

Hint: In Stata, you can select a subsample using "if" statement.
For example, suppose that you want to obtain the summary information for the subsample with x being1, you can write:

sum if x==1

Suppose that you want to run a regress with the subsample being restricted to x>0, you can write:
reg y x if x>0, r

All of the problems above are referring to the end-of-chapter exercises in our course textbook: Stock & Watson, 4th edition.