

Deadline 8 December 2020

For this assignment you need to re-analyse the same data set of Assignment 1 (*wage*). In the lights of the methods seen in the second half of this term, try to improve your model specification.

Recall that the aim of the analysis is to model the response variable *wage* as a function of the predictors listed in Assignment 1.

Write a report addressing the following points:

1. Justification of the chosen regression model specification; [5 marks]
2. Using the final model, provide a summary (e.g., using tables and figures) of the empirical findings as well as interpretation of the estimated model parameters; [5 marks]
3. Explain why this model is better (worse) than the previous model used in Assignment 1 and compare the results; [6 marks]
4. Provide recommendations and limitations of your analysis. How can the analysis be improved? [5 marks]

The remaining 4 marks will be for presentation.

The report must be in pdf format. It (excluding the title page) must not be longer than 6 pages (including graphs, tables, etc.) using font size 12pt with one and a half line spacing and at least 2.5 cm margin.