Assignment Overview

In this week, we used regression analysis to examine the relationship between player wage spending by teams and win percentage. We also looked at the role of last season’s performance (lagged win percentage) and team specific fixed effects. Salaries, lagged win percentage and some, if not all, team specific fixed effects were found to significantly affect win percentage.

We now repeat this exercise for the Indian Premier League (IPL).

**Beware:** even though your code might get you to the correct answer at a given point, it is sometimes possible that the way you write it might interfere with completing a further step. So even if you get the answer right, you should look at the code we supply to check if you are going the same way. In practice, there are often many ways to get to answer in Python, and we do not insist that you follow our approach exactly – but simply warn you to be aware that differences could turn out to be problematic later.

# Assignment Instructions

Here are the steps you need to take:

1. Load the data
2. Create the sum of salaries in each season
3. Create a variable for team salary divided by total salaries for that season (relsal).
4. Create a value for win percentage. Define win percentage as wins divided games with a result (= games played minus games with no result).
5. Create the lagged value of win percentage for each team
6. Regress win percentage on: a) Relsal b) Relsal + lagged win percentage c) Relsal + lagged win percentage  + team fixed effects

Each of these steps follows the same general pattern as the code for the other leagues from this week.