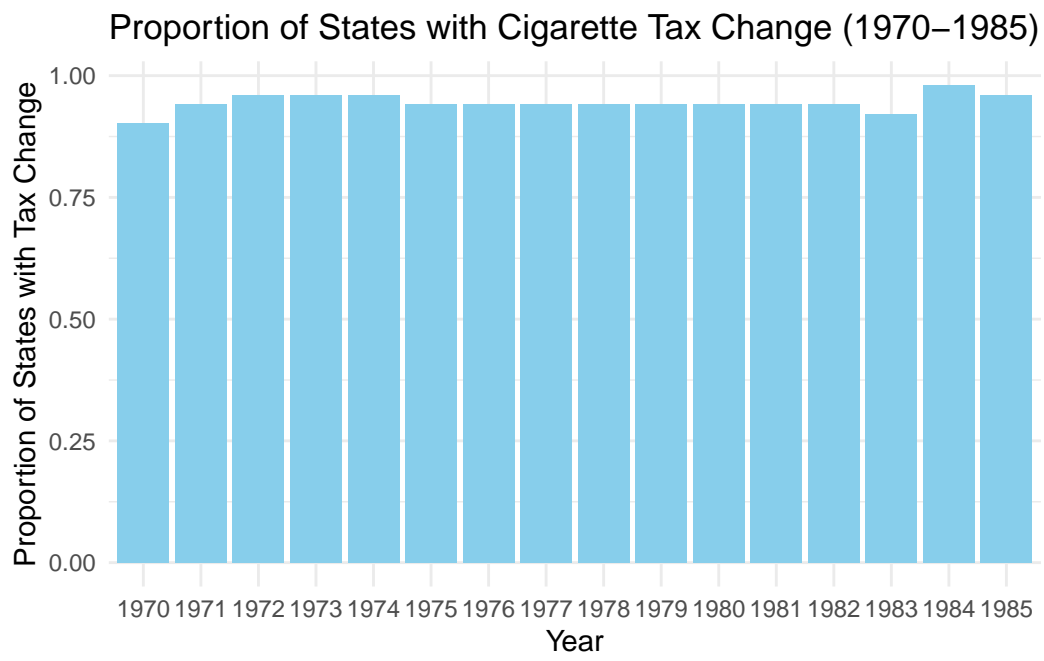


Homework3 Submission2

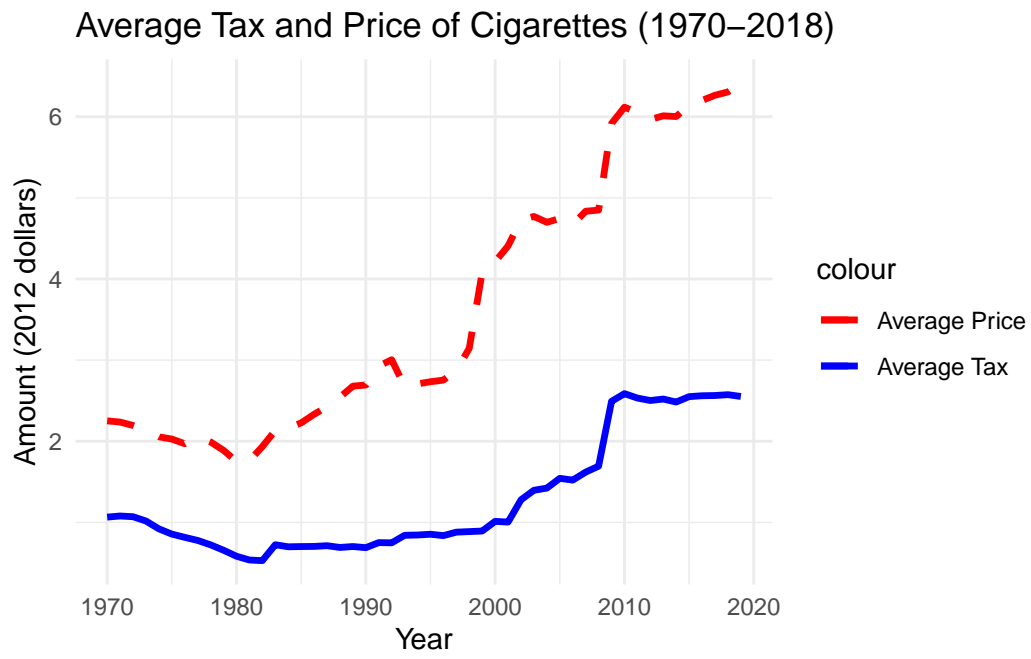
<https://github.com/modugbe/homework3>

Moyo Odugbemi

#Question 1

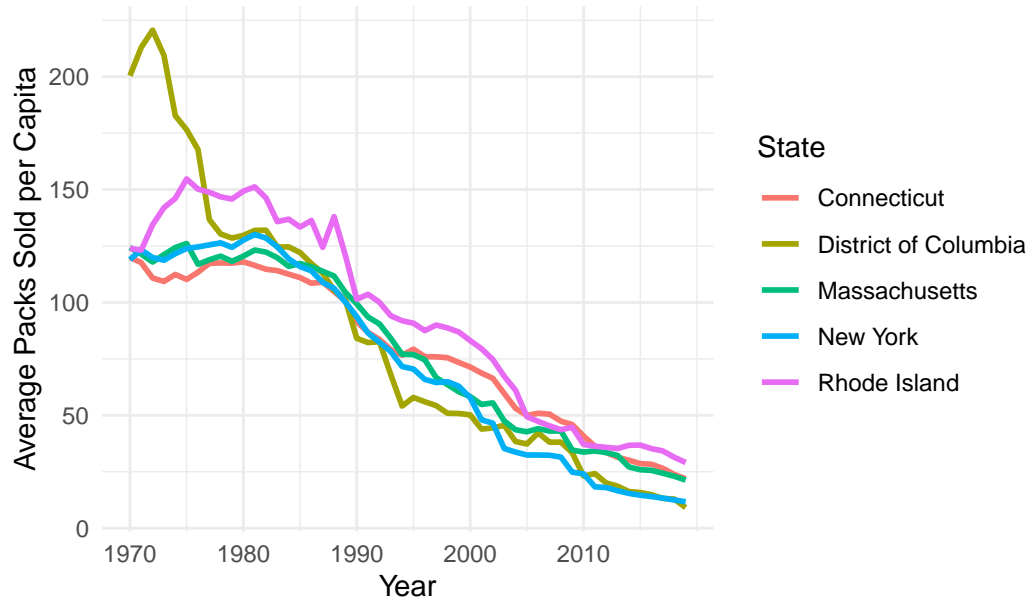


#Question 2

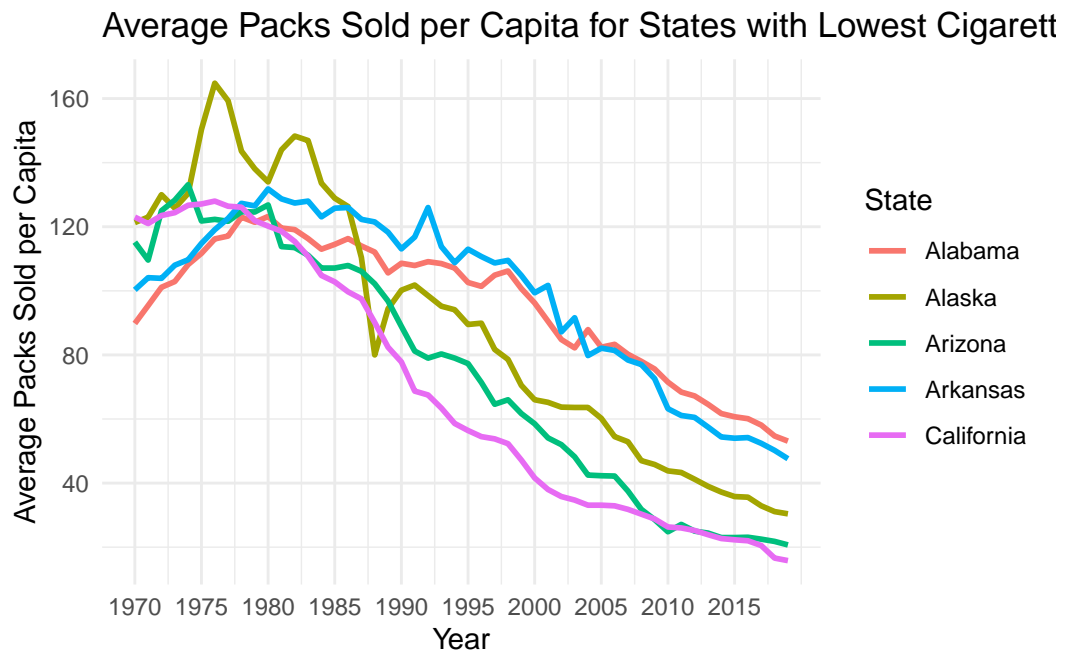


#Question 3

Average Packs Sold per Capita for States with Highest Cigaret



#Question 4



#Question 5 Both groups of states have similar sales on average that decrease as years or as the taxes increase. This somewhat uniform trend between the groups can be explained by the type of good cigarette is.

#Question 6 See Table [1](#)

#Question 7 See Table [1](#)

#Question 8 See Table [1](#)

#Question 9 See Table [1](#)

#Question 10

Table 1: Estimation results

	Period	Price_Elasticity	IV_Elasticity	First_Stage_R2	Reduced_Form_R2
log(price_cpi)	1970-1990	-0.8094384	-0.7955235	0.2901006	0.0823776
log(price_cpi)1	1991-2015	-0.9968136	-1.1500837	0.8121467	0.6069778

They are different probably because of people realizing that cigarettes are harmful causing a shift in elasticity. Perhaps cigarettes became more elastic once people started to understand the harms behind it.