

# Group Assignment 2: Predictive Econometrics

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November 27, 2020

## 1. Observations in Dataset

Observations Test: 143

Observations Train: 214

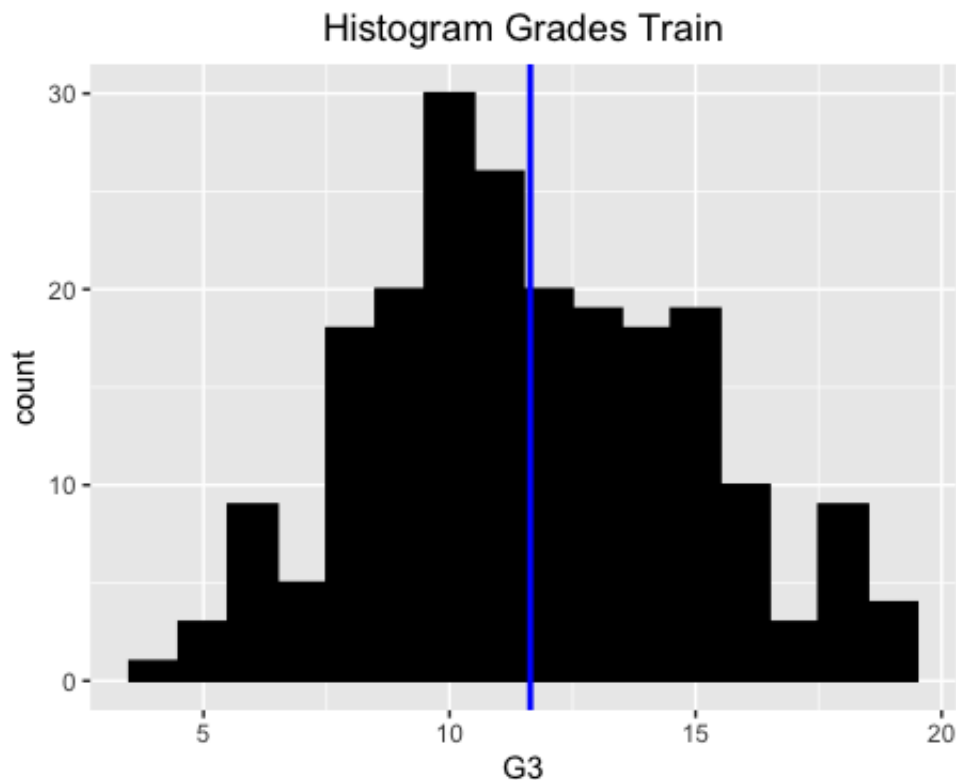
## 2. Summary Statistics Train

Min: 4

Mean: 11.64

Max: 19

## 3. Histogram For Grades in Train



## 4. Difference Causal vs. Predictive Modelling

In predictive modelling the interest is in generating a new, forward-looking quantity i.e. a prediction, conditional on our covariates. This can be directed at the near future (e.g. nowcasting

GDP before quarterly report is released) or several years ahead (e.g. GDP in four years). Conversely, in causal modelling the focus is on discerning how (if at all) the dependent variable changes as one or more of the independent variables change.