Econometrics Coursera

This is an R Markdown Notebook for Econometrics course that I am taking in coursera. Use CheatSheet whereever possibe.
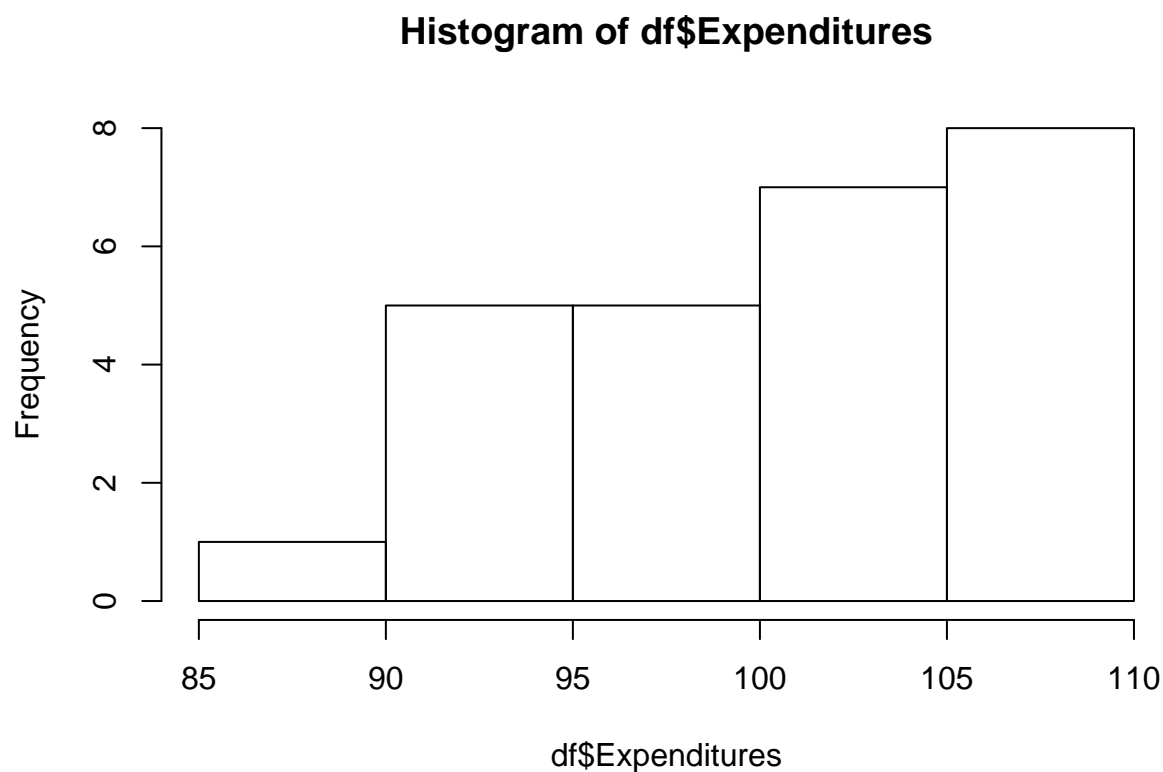
Training Exercise 1.1

First read the data

```
df<-read.table('C:\\Users\\Gannon_chef\\Downloads\\MFE\\Econometrics\\TrainExer11.txt', header=TRUE)
```
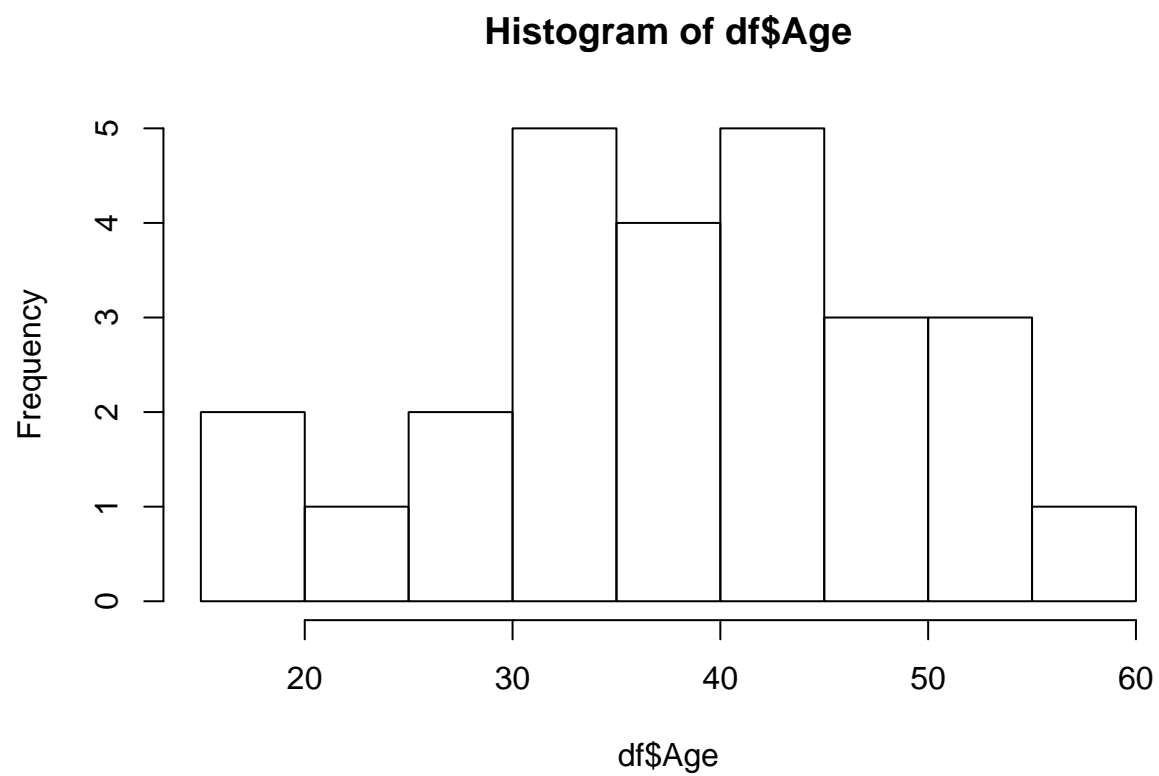
1. Make two histograms, one of expenditures and the other of age. Make also a scatter diagram with expenditures on the vertical axis versus age on the horizontal axis.

Plotting the histogram of Age and Expenditure
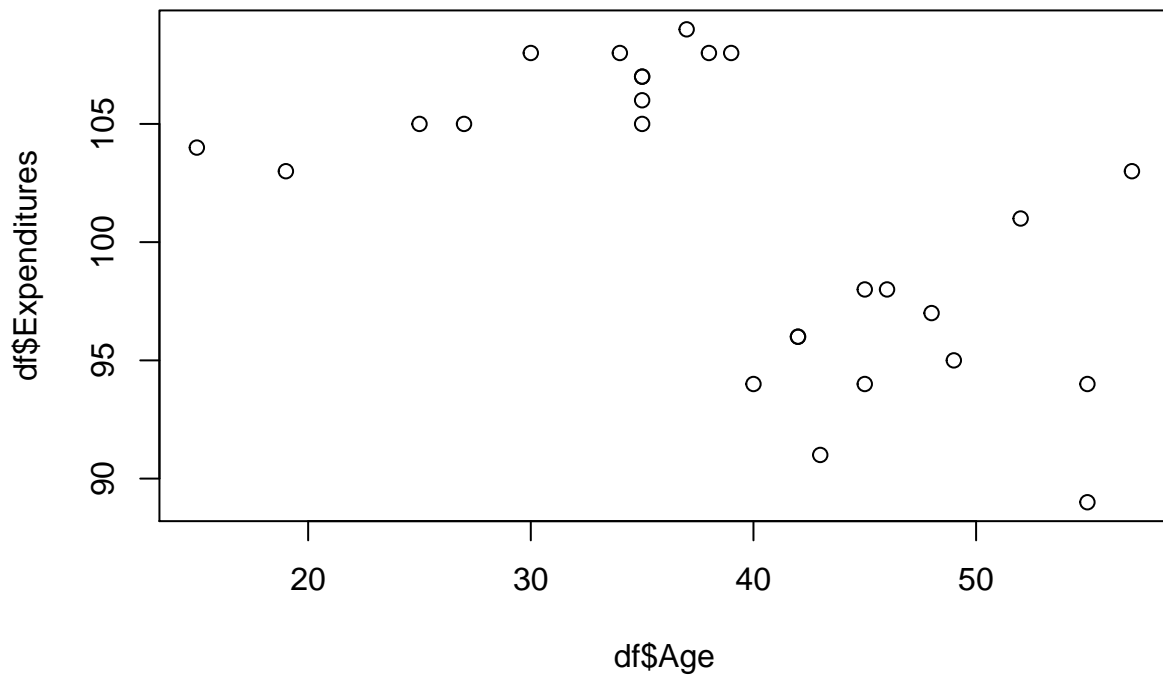
```
hist(df$Expenditures)
```

Histogram of df$Expenditures


```
hist(df$Age)
```

Histogram of df$Age

Scattor Plot between Age and Expenditure

```
plot(df$Age, df$Expenditures)
```

Looks like lower age group spend a lot more and the expenditure decrease as the age increases.

2. In what respect do the data in this scatter diagram look different from the case of the sales and price data discussed in the lecture? scatter diagram differ in the sense that there is no clear trend of expenditure with Age. Rather we can just classify the expenditure into two categories low or high with respect to Age.