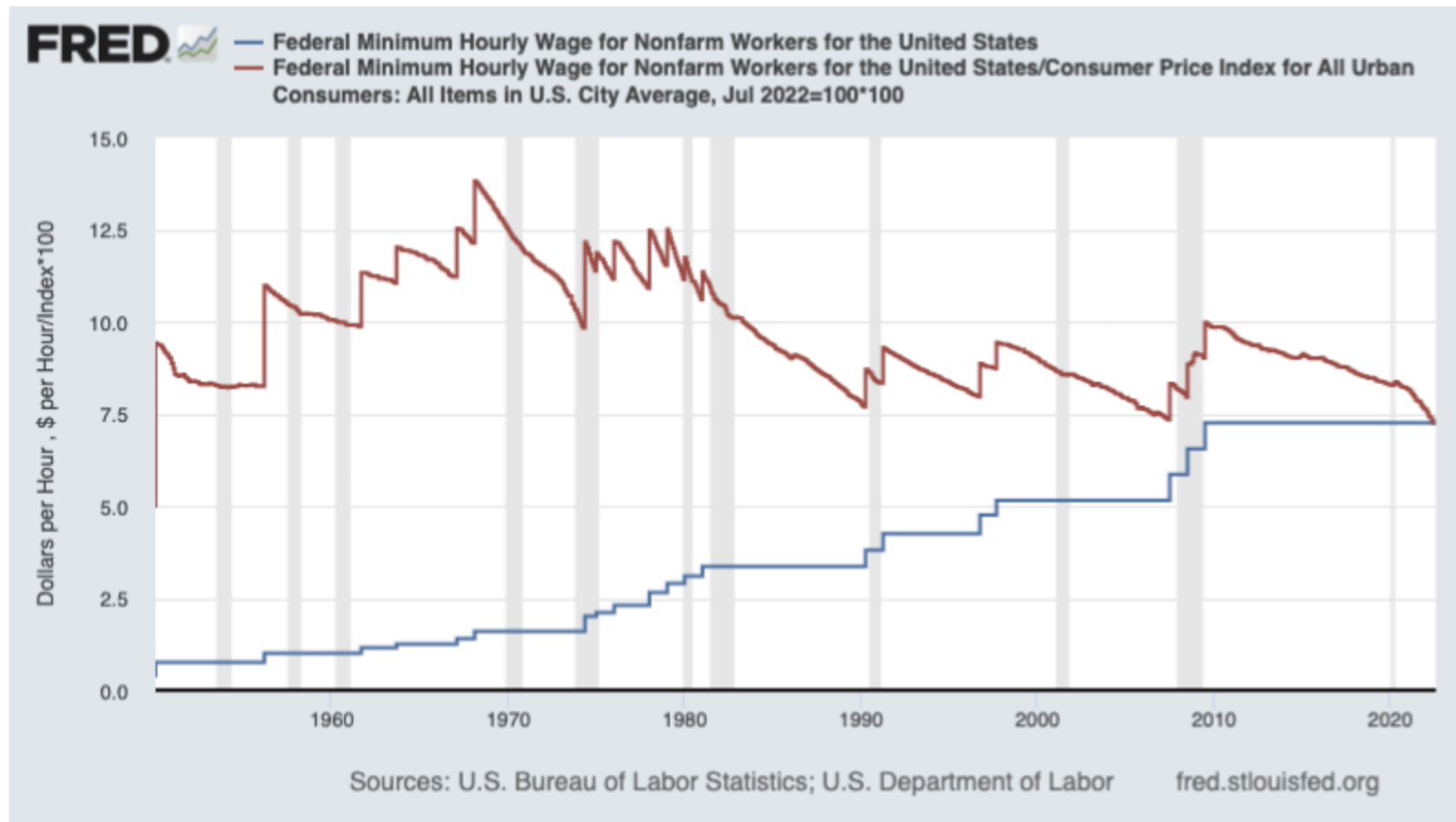


Finger Exercises due Sep 18, 2024 07:30 CST Completed



9.1

1/1 point (graded)

Fill in the blanks. In the above chart, the red line is the \_\_\_\_ value and the blue line is the \_\_\_\_ value of the federal minimum wage.

☒ real; nominal

☐ nominal; real



#### Explanation

The blue line is the nominal which is the actual dollar value observed. The red line is the real which is the adjusted value after taking inflation into account.

Submit

You have used 1 of 1 attempt

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**i** Answers are displayed within the problem

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## 9.2

1/1 point (graded)

True or False? The study design of Card and Krueger (1994) was a randomized controlled trial that randomizes minimum wages between Pennsylvania and New Jersey.

☐ True

☒ False



#### Explanation

The study design was not a randomized controlled trial but a natural experiment. It took advantage of the different policies between two neighboring states: New Jersey was going to raise its state minimum wage while Pennsylvania was not.

Submit

You have used 1 of 1 attempt

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**i** Answers are displayed within the problem

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9.3

1/1 point (graded)

Which of the following best describes Difference-in-Difference estimation?

☒ Compare the differences before and after treatment between treatment and control groups.

☐ Compare the difference before and after treatment for the same group.

☐ Compare the difference between treatment and control groups after treatment.

☐ None of the above.



### Explanation

Difference-in-Difference estimation measures the difference of changes over time between treatment and control groups. It does not simply measure the outcome after treatment because there might exist a time effect. Measuring the change of outcome instead of its level after treatment can cancel out the time effect.

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You have used 1 of 2 attempts

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**i** Answers are displayed within the problem

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