Economics 741 Homework 5 Assignment
Due 11 December 2017

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1 Discrete Choice (44 points):

a (a) Run a clogit of transportation choice on travel time (10 points)

See Table 1 and Reg Output choice:traveltime coefficient -.0560469

b (b) What percentage of people in the data choose each of the four options? (10 points)

Couldn't get to output the tabulate, was getting the errors with the cell and nofreq options. Copied image of the table in Word. I tried eststo, latab, and tabstat to no avail. Table 2 is the only attempt that generated a table but it is not correct. The correct table was pasted into Word.

Answer 25 percent: If equals 1 for all four options, then 1 — 6.90 7.50 3.57 7.02 — 25.00

c (c) What are the predicted probabilities with the clogit? (10 points)

Try putting in excel then outputting to Latex, maybe that will work.

d (e) Report the marginal effect of travel time on the likelihood that someone ies for someone making $20,000 a year and for someone making $80,000 a year. (12 points)

Interpretation: For Someone making 80,000, the marginal effect of travel time 2.6*This makes sense as the opportunity cost of productive activity is higher for higher income individuals.

2 Time Series

var	coef	stderr	N
choice:travel_time	-.0560469	.016351	840

Table 1: CLOGIT Transp on travel time

var	coef	stderr	tstat	pval	ci_lower	ci_upper	N
choice:travel_time	-.0560469	.016351	-3.427736	.0006086	-.0880943	-.0239995	840

	(1) choice	(2) choice
choice		
travel_time	-0.0560***	-0.0560***
	(-3.43)	(-3.43)
N	840	840

t statistics in parentheses

* $p < 0.05$, ** $p < 0.01$, *** $p < 0.001$

Table 2: Option Percents Part B