

## Template Homework

1. Using data `oaxaca`, available from <http://fmwww.bc.edu/RePEc/bocode/o/oaxaca.dta> explore the relationships between log wages and education, age and marital Status. (you will need to create a new variable called `mstatus` using `single`, `married` and `divorced`).

Feel free to use statistics and graphs to explore the data.

2. Estimate a linear model of log wages as a function of education, experience and marital status. Report the results in a table, and interpret the results. Are results as expected?
3. What happens if you add a quadratic term for age? what do you conclude from this?
4. Test for model misspecification and heteroskedasticity using the appropriate tests. What do you conclude?