

# Econ 3040 - Assignment 2: Sales from different video game consoles

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The big three 7th generation video game consoles released in 2005-2006 were the Nintendo Wii, Playstation 3, and Xbox 360. Use the data below to determine if the critic score of a video game is related to its sales. The data for your assignment is the same as from [Computer Lab 1](#). The data was obtained by [Abdulshaheed Alqunber](#).

Due date: October 26th, 2025. Worth 3% of your final grade.

**Instructions:** Submit your assignment in the “Assignment 2” drop box on UM Learn. *You must complete your assignment individually.* Submit both your answers to the assignment questions, and the R code that you use. Make sure all graphs and tables are appropriately labelled. Load the data using:

```
mydata <- read.csv("https://rtgodwin.com/data/vidsales.csv")
```

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1. Make a subset that contains only Wii, PS3, and X360 games. **Use this subset for the remainder of the assignment.** Please see the hint in [Computer Lab 1](#) for making subsets.
2. Draw a scatterplot of **Score** (on the x-axis) vs. **Sales** (on the y-axis).
3. How much does it pay to make a *good* game? Estimate a model by least squares (LS) to answer the question: how much more does a video game sell on average, when it has a higher critic score rating?
4. Interpret the R-square from the estimated model in question 3.
5. Test the hypothesis that **Score** has no effect on **Sales**.
6. Estimate a new model. Use dummy variables to differentiate between Wii, PS3, and X360 games. What is the average difference in sales for these three consoles?