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ECO 581 Lab 4 Questions

1. From the proc means command, we see the average for voteA is 50.50289.
2. The correlation coefficients for log(expendA) and log(expendB) is -.02479 with a t-stat of .7461. It is not statistically significant due to the t-stat being less than 1.
3. When we take the regression, we find the estimated coefficient on expendA as .03492 and expend as -.03492. Our r squared is .5687 and adjusted r squared is .5610.
4. When we take the regression, we find the estimated coefficient on log(expendA) is 6.08136 and log(expendB) is -6.61563. R squared is higher at .7925 and adjusted r squared is .7888. Absolute values of t-stats are higher, implying these values are statistically significant (more than when we did in question 3)