Syed Mahmood

Econometrics Lab 8 Writeup

2A. See printout

2B. When we run the white test with the spec option, we get a Chi-square value of 71.57. The spec option is testing the null hypothesis of homoskedasticity, and therefore with a high value we reject null, indicating heteroskedasticity.

2C. When we look at the values, we see a few very large numbers, indicating areas of heteroskedasticity. Had there been little heteroskedasticity, all of these numbers would be very small.

3C. We have varying levels of t-values in terms of significance, however most are over the absolute value of 3 indicating the variables are statistically significant. The model itself has a strong f-value with a low Pr indicating a strong regression overall.

3E. See printout

3F. Here we see the white test with out Chi-Square value being much lower at 31.83. The pr value is also higher at 19.87%. This means a few things, that the heteroskedasticity is much lower than before (nearly half) and with Pr being higher than .0001 this means that there is room for variation. There is still heteroskedasticity evidence here, but clearly it is much less than our original regression.