



Bookmarks

- ▶ [Module 1: The Basics of R and Introduction to the Course](#)
- ▶ [Entrance Survey](#)
- ▶ [Module 2: Fundamentals of Probability, Random Variables, Distributions, and Joint Distributions](#)
- ▼ [Module 3: Gathering and Collecting Data, Ethics, and Kernel Density Estimates](#)

[Gathering and Collecting Data](#)

[Finger Exercises due Oct 17, 2016 05:00 IST](#)



Module 3: Gathering and Collecting Data, Ethics, and Kernel Density Estimates > Summarizing and Describing Data > An Example: Top One Percent - Quiz

An Example: Top One Percent - Quiz

🔖 Bookmark this page

Question 1

1 point possible (graded)

From the Piketty-Saez graph shown below, it can be seen that between 1978 and 2013, the share of total income earned by the bottom 99% of the population _____, and that of the bottom 95% _____.

Summarizing and Describing Data

Finger Exercises due Oct 17,
2016 05:00 IST



Module 3: Homework

Homework due Oct 10, 2016
05:00 IST



- ▶ [Module 4: Joint, Marginal, and Conditional Distributions & Functions of Random Variable](#)
- ▶ [Module 5: Moments of a Random Variable, Applications to Auctions, & Intro to Regression](#)
- ▶ [Module 6: Special Distributions, the Sample Mean, the Central Limit Theorem, and Estimation](#)

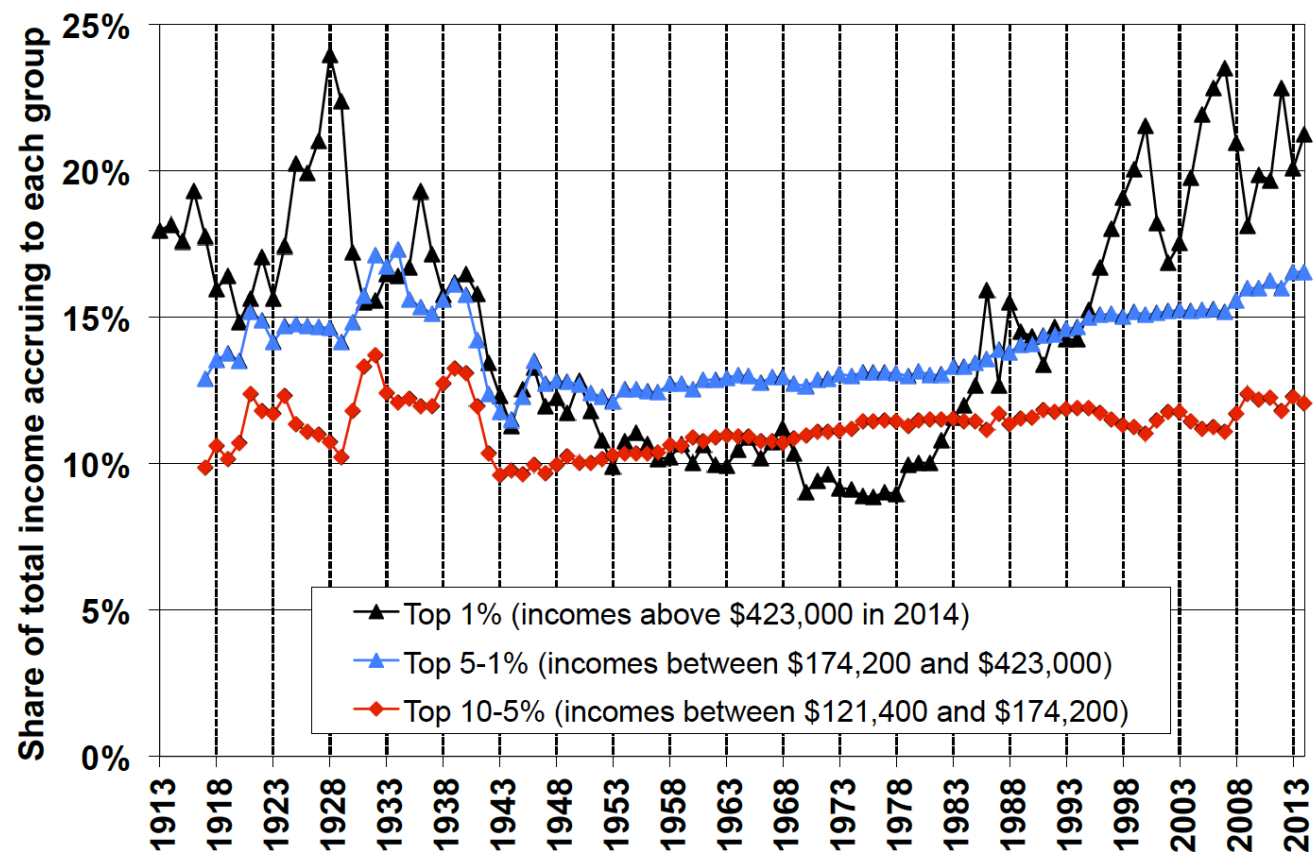


FIGURE 2
Decomposing the Top Decile US Income Share into 3 Groups, 1913-2014

- a. decreased from roughly 82% to roughly 78%, decreased from roughly 69% to 61%

- ▶ [Module 7: Assessing and Deriving Estimators - Confidence Intervals, and Hypothesis Testing](#)
- ▶ [Module 8: Causality, Analyzing Randomized Experiments, & Nonparametric Regression](#)
- ▶ [Module 9: Single and Multivariate Linear Models](#)
- ▶ [Module 10: Practical Issues in Running Regressions, and Omitted Variable Bias](#)
- ▶ [Module 11: Intro to Machine Learning and Data Visualization](#)
- ▶ [Module 12: Endogeneity.](#)

- ☒ b. decreased from roughly 92% to roughly 78%, decreased from roughly 79% to 61%
- ☐ c. decreased from roughly 92% to roughly 78%, decreased from roughly 87% to 83%
- ☐ d. decreased from roughly 82% to roughly 78%, decreased from roughly 87% to 83%

Explanation

The top 1% income share increased from roughly 8% to 22%, and the income share going to between the top 5 and 1% increased from roughly 13% to 17%. Therefore the overall share of the top 5% increased from roughly $8+13=21\%$ to $22+17=39\%$. Hence the bottom 99% share decreased from $100-8=92\%$ to $100-22=78\%$. And the bottom 95% share decreased from $100-21=79\%$ to $100-39=61\%$.

Submit

You have used 0 of 2 attempts

Question 2

1 point possible (graded)

True or False: The reason why Piketty and Saez cannot directly use the IRS tax data to compute top income shares is that these data are only publicly available in the form of tabulations.

- ☒ True

Instrumental Variables, and Experimental Design

- ▶ Exit Survey
- ▶ Final Exam

☐ False

Explanation

True. For example, Piketty-Saez have information like “People paying between 30 and 35% in taxes have an average income of \$200,000 and those paying between 35 and 45% have an average income of \$500,000.” But the problem is that the cutoffs of the tax brackets do not coincide with the percentiles of the income distribution we are interested in (e.g. top 1%, top 5% etc). Therefore, they need to somehow interpolate the income distribution and instead use an interpolation technique exploiting properties of the Pareto distribution (which will be discussed in the next segment).

Submit

You have used 0 of 1 attempt

Discussion

Topic: Module 3 / An Example: Top One Percent - Quiz

Show Discussion

© All Rights Reserved



© 2016 edX Inc. All rights reserved except where noted. EdX, Open edX and the edX and Open EdX logos are registered trademarks or trademarks of edX Inc.

