Bookmarks

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The Problem of Endogeneity - Quiz

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Question 1

1.0/1.0 point (graded)

True, false or uncertain: Unlike simple regression-based methods, difference-in-differences and regression discontinuity designs *always* provide us with causal estimates.

- a. True
- b. False ✔
- c. Uncertain

Explanation

The interpretation of your estimates depends on the validity of your assumptions in whatever design you use. If you cannot credibly claim that the parallel trends assumption is satisfied, then estimates obtained from a differences-in-differences design cannot be interpreted causally. Similarly, for regression discontinuity design, if there are reasons to believe that people can manipulate the threshold to decide what side of the cutoff they are on, then that will undermine your estimates.

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
- 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

Ultimately, the causal interpretation of your coefficients hinges on the credibility of the set of assumptions you are making irrespective of your design.

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Question 2

1/1 point (graded)

If it is plausible that the outcome variable affects the regressor of interest, then: (Select all that apply)

- [x] a. There is an endogeneity problem
- [ ] b. One should add more control variables
- [ ] c. One should use difference-in-differences
- [ ] d. One should use regression discontinuity

✔

Explanation

There is an endogeneity problem, because the coefficient will measure the effect of the regressor on the outcome variable AND the effect of the outcome variable on the regressor.

Models

- Module 10: Practical Issues in Running Regressions, and Omitted Variable Bias
- Module 11: Intro to Machine Learning and Data Visualization
- **Module 12: Endogeneity, Instrumental Variables, and Experimental Design**

Endogeneity and Instrumental Variables
Finger Exercises due Dec 14, 2016 05:00 IST

Experimental Design
Finger Exercises due Dec 14, 2016 05:00 IST

Module 12: Homework
Homework due Dec 12, 2016 05:00 IST

- Exit Survey

Submit You have used 2 of 2 attempts

✔ Correct (1/1 point)

Discussion

Topic: Module 12 / The Problem of Endogeneity - Quiz

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