Angrist & Pischke Chapter 2 : 2.1-2.3

1. What is the ingenious matching exercise in table 2.1? Why can we do this and possibly forget about ALL possible omitted variables?
2. Why would it not have been prudent to compare students in Group A to those in Group D?
3. Why does all of the weight of the regression to compare public to private rest on the effects in Group A and B and none of the weight come from comparisons within group C and group D?
4. Why are the weights different in regression than you’d think they might be if you look at simply the number of observations in the group?
5. What does transform the left-hand side of an equation by taking the natural log do to the beta’s on the right-hand side?
6. How can I use regression to get the price elasticity of demand explicitly from regression output?
7. What can we learn from table 2.2. Explain the results in detail? Does private school matter as much as many assume it does?
8. Explain why we might be looking at a limited set here? What are the public schools included and how might they compare to other public schools?
9. Why might table 2.4 shed a little more light on the problem?
10. We can’t have all omitted variables? Why does sensitivity analysis give us greater confidence that we haven’t omitted anything important?
11. How can we quantify the omitted variable bias differences when we include key controls compared to when we omit key controls?
12. Describe from table 2.5 what we can learn about omitted variable bias in this context?
13. Why might we still have omitted variable bias despite our calculations?
14. What is regression to the mean? How was it found as a phenomenon?