Econ 301 Assignment # 5

This is your final assignment. You are expected turn in the assignment on due date. Computer printouts (as a hard copy: attachments will not be accepted) could be returned by December 24, 2017 23:59. *You can always return the final assignment earlier!* For each late assignment after December 26, 2017, 17:00, 100 points will be deducted for each calendar late days. You may prepare the assignment with MS WORD. Do not return handwritten assignments. You are encouraged to report the most relevant specification estimates with relevant statistics. Do not report two specifications estimates but just one.

When you write your assignment I want to see a report that you write your supervisor to make/sell your argument. **The important thing here is that YOUR PAPER SHOULD HAVE AN ARGUMNET/CLAIM, and you are writing this to support that you argument/claim is right. Do not bother to write what you DID NOT find.**

1. Test if any two or more (relevant) variables that you choose as well as BIST return have an explanatory power for return of your firm.
2. Test the specification for hetorecasticiy as well as autocorrelation. Then get the estimates and tests accordingly.
3. Comment on what are the factors that affect the return of equity with relevant estimates.
4. Are these results are consistent with the economic theory. Tell why. Do not put any two variables that they are not relevant and find that they do not explain.

When you answer these questions, look at your results from the previous assignments. Perform various hypotheses testing and come up with a concrete recommendation. The last but not the least; interpret the basic finding of your paper by considering the market structure/input cost/ macro and microeconomic environment of your firm after reading the annual reports of your firm.