

BUSI 525 HW03

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1 GitHub Link

Please see <https://github.com/yifanzhang0842/BUSI525>

2 The Final Plot

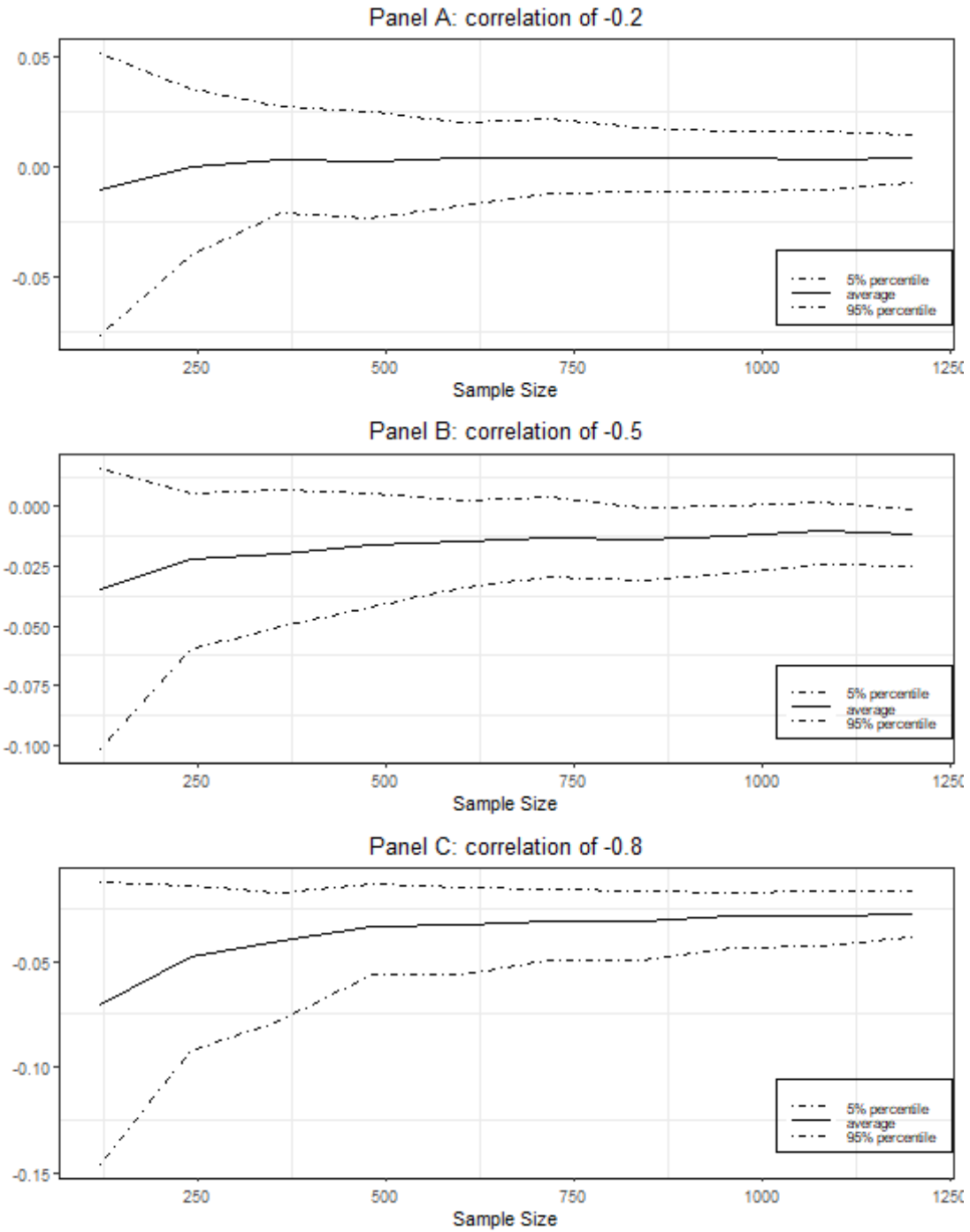


Figure 1: **Simulation Results** This figure plots the 5% percentile, average and 95% percentile of the estimated beta.

3 Part 1

See Figure 1 Panel C.

When we are using more data, the bias between the estimated beta and true beta becomes smaller.

4 Part 2

See Figure 1 Panel A & B.

As ρ_{uv} becomes smaller, the bias between the estimated beta and true beta becomes smaller.