

POL 212
Winter 2024
Assignment 7

1. Use a Monte Carlo approach to generate data that violates at least one of the Gauss-Markov assumptions (e.g., linearity). You should have a single dependent variable y and at least two independent variables X .
2. Estimate a linear regression model of the data and report the results.
3. Use diagnostics to assess the model. How well does it detect the violation you built into the data generating process in (1)?
4. How might you address this violation?