

Quiz 12

Due Feb 13, 2019 at 23:59	Points 10	Questions 7
Available Feb 8, 2019 at 11:00 - Feb 13, 2019 at 23:59 6 days	Time Limit 30 Minutes	

Instructions

Quiz 12 cover sthe material in lectures 30 - 31 (pages 226 - 241 of the Course Notes)

This quiz is no longer available as the course has been concluded.

Attempt History

	Attempt	Time	Score
LATEST	Attempt 1	12 minutes	9 out of 10

Score for this quiz: **9** out of 10
Submitted Feb 13, 2019 at 22:37
This attempt took 12 minutes.

Correct!

Question 1

1 / 1 pts

A Random Walk is ...

☒ the sum of previous errors and the current error at time t

☐ is stationary

☐ is where the observations come from any stationary series

☐ is the error that occurs at time t

Correct!

Question 2

1 / 1 pts

A random Walk with Drift is ...

☐

equivalent to a Random Walk with observations coming from a distribution with a non-zero mean

is a theoretical model that never exists in reality

is equivalent to a Random Walk with a time trend added

is equivalent to a Random Walk with a trend term added

Question 3

1 / 1 pts

A Random Walk with Drift and a Time Trend is ...

a common model in Econometrics

equivalent to a Random Walk plus a constant plus a trend over time

Correct!

All other options are correct

a good model for GDP in a thriving economy

Question 4

0 / 1 pts

The defining aspect of a Random Walk is that it has a ...

root that lies inside the unit circle in the complex domain

Correct Answer

unit root

a model that is only used in business statistics

You Answered

root that lies outside the unit circle in the complex domain

Question 5

1 / 1 pts

If we run a regression model using 2 trending time series, we will always get ...

- ☐ a "0" value for R-squared
- ☐ a low value for R-squared
- ☐ output that makes perfect sense
- ☒ a reasonably high value for R-squared

Correct!

Question 6

1 / 1 pts

In order to have a sensible regression model using 2 time trending time series, we require ...

- ☐ that the response and explanatory variables are related
- ☒ All other options are correct
- ☐ that both series are integrated of the same order
- ☐ that the residual series is a stationary series

Correct!

Question 7

4 / 4 pts

Statistics means ...

- ☐ always being right
- ☒ never having to say you are certain
- ☐ always being correct
- ☐ All other options are correct

Correct!

