

Instructions: Answer all three questions. The point value for each question is in parentheses next to the corresponding question number. **Attach a printout of your computer output for question 3.**

Due: December 3, 2009; 2:00 pm

Total Points: 50

SW: Stock and Watson, Introduction to Econometrics, 2nd/brief ed.

(10) 1. SW, 6.1

(10) 2. SW, 6.4

(30) 3. SW, E8.1 (Empirical Exercises) [(i)]