

Instructions: Answer all five questions. Show all of the work you performed to obtain your answers. Point values for each question are in parentheses next to the question number.

Due: October 15, 2009; 2:00 p.m.

Total Points: 50

SW: Stock and Watson, Introduction to Econometrics, 2<sup>nd</sup>/Brief ed.

- (10) 1. SW, 4.2 (a) (b) [omit (c)]
- (15) 2. SW, 4.3 (a) (d) (g) [omit (b), (c), (e), and (f)]
- (10) 3. SW, 4.7
- (5) 4. SW, 4.11
- (10) 5. SW, 5.10