Temple University

Department of Economics

W-LM-LR Homework Key

1. The estimation result is

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Dependent Variable: LOG(CE)-LOG(CE(-1)) | | | | |  |
| Method: Least Squares | | |  | |  |
| Date: 11/08/11 Time: 16:08 | | |  | |  |
| Sample (adjusted): 3 200 | | |  | |  |
| Included observations: 198 after adjustments | | | | |  |
|  |  |  | |  |  |
|  |  |  | |  |  |
| Variable | Coefficient | Std. Error | | t-Statistic | Prob. |
|  |  |  | |  |  |
|  |  |  | |  |  |
| C | 0.005197 | 0.001255 | | 4.142518 | 0.0001 |
| LOG(YD)-LOG(YD(-1)) | 0.356802 | 0.063709 | | 5.600527 | 0.0000 |
| LOG(YD(-1))-LOG(YD(-2)) | 0.108591 | 0.063734 | | 1.703824 | 0.0900 |
|  |  |  | |  |  |
|  |  |  | |  |  |
| R-squared | 0.146394 | Mean dependent var | | | 0.009602 |
| Adjusted R-squared | 0.137639 | S.D. dependent var | | | 0.013650 |
| S.E. of regression | 0.012676 | Akaike info criterion | | | -5.883151 |
| Sum squared resid | 0.031334 | Schwarz criterion | | | -5.833329 |
| Log likelihood | 585.4320 | Hannan-Quinn criter. | | | -5.862985 |
| F-statistic | 16.72129 | Durbin-Watson stat | | | 2.434656 |
| Prob(F-statistic) | 0.000000 |  |  | |  |
|  |  |  |  | |  |
|  |  |  |  | |  |

1. The log-likelihood is .
2. Wald test for .









For questions 4 and 5 you’ll have to get the other part in RTF.