

**Economics 3950
Spring 2008
Dr. Richard Mueller**

Assignment #1

Instructions: These questions should be answered using a text editor or a word processor where you can cut and paste output from your statistical program (where necessary). Please mark question numbers clearly. This assignment is **due on Friday, February 1st, 2008 by 12:00 in D-552.**

1. (50 points total) Exercise 3.5, pp. 122-23.
2. (25 points total) Exercise 3.10, p. 123. Assume now that $\alpha = 0$. Would this change your answer? If so, how would it change your answer?
3. (75 points total) Exercise 3.22, pp. 125-26.
4. (30 points total) Exercise 3.33, pp. 131-32.
5. (30 points total) Exercise 3.34, p. 132.

Grand Total: 210 points