Quiz # 2
Chapter 1 and 2
Suggested Answers
Group 3
Econometrics 06216

Name_____

- Choose the most correct answer
- You have 5 minutes to solve out this quiz

1. One of the reasons to use the Sum of Square deviations is that:
   a. It results in generating only positive values and it tends to give more weight to large discrepancies than to small ones.
   b. The sum of the deviation is equal to Expected value (Zero).
   c. It captures the idea to minimize the differences between small and large discrepancies
   d. All the above

   Answer a)

2. When the disturbances are non homoskedastic, that implies that:
   a. The errors have the same mean
   b. The errors have the same variance
   c. The errors have different variance
   d. The errors have different mean

   Answer: c)

3. A Deterministic variable is
   a. A variable that takes a few possible values
   b. A variable that takes a specific value
   c. A variable that takes several values
   d. All of the above.

   Answer: d)

4. An estimator is unbiased if:

   a. Its guesses are right
   b. On average, the difference between the expected value of the estimator and the parameter's value is cero
   c. The estimator get closer to the true parameter value as the size of the sample increases
   d. None of the above

Answer: b)

5. An estimator is efficient if:
    a. It is unbiased and gets closer to the true parameter value as the size of the sample increases
    b. It is unbiased and its variance gets smaller as the size of the sample increases
    c. It is unbiased and has the lowest variance than any other unbiased estimator
    d. None of the above

Answer: c)