


Team Members: _____

Working with Dummies: Answer Sheet

Part I: ceosal1

I.1.  Predicted salary for a CEO in the Utility industry (@ roe = 10).


Model (1): _____

Model (2): _____


Model (3): _____


Model (4): _____

Part II: Play Ball!


II.2.a.  Yanks' % wins are higher or lower than for the rest of MLB (controlling for rsra)?


estimated difference? _____ ...statistically significant? _____


II.2.b.  Eyeball test (circle one): BigDiff NotSoMuch

II.3.a.  those increases (circle one) Higher Lower (than the rest of the league)

statistically significant? _____


II.3.b.  Eyeball test (circle one): Wowza NotImpressed

II.4.a.  implied elasticity @ rsra=1: _____

II.4.b.  F-stat: _____; p value: _____; Conclusion (circle one): Accept Reject


at what level of statistical significance? _____


II.4.c.  The diff: _____

II.4.d.  The marginal effect: _____ Was that easy? (circle one) SoEasy Nope

... the model predicts (circle one): Increases Decreases (with increases in rsra)


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II.4.e.  Eyeball test (circle one): BigDiff NotSoMuch

II.6.a.  **Way 1:** What are the predicted intercepts? Yanks _____ Mets _____

F-stat: _____; p value: _____; Conclusion (circle one): Accept Reject

at what level of statistical significance? _____

II.6.b.  **Way 2:** What are the predicted intercepts? Yanks _____ Mets _____


t test: t-stat: _____; p value: _____; Conclusion (circle one): Accept Reject

at what level of statistical significance? _____

F test: F-stat: _____; p value: _____; Conclusion (circle one): Accept Reject

at what level of statistical significance? _____

$Fstat = (tstat)^2$? (circle one) YouBetcha NotReally

II.6.c.  **Way 3:** What are the predicted intercepts? Yanks _____ Mets _____

t test: t-stat: _____; p value: _____; Conclusion (circle one): Accept Reject

at what level of statistical significance? _____

F test: F-stat: _____; p value: _____; Conclusion (circle one): Accept Reject

at what level of statistical significance? _____


Did you find that $Fstat = (tstat)^2$? (circle one) YouBetcha NotReally

Part III: S&P Sovereign Debt Ratings

III.2.  *eurozone* coeff.: _____ t stat: _____ p-value: _____

Eurozone effect estimate, compared to what? _____

Evidence of S&P bias in favor of Eurozone countries? (circle one) Yupper Nope

III.3.a.  Three regional dummies


eurozone: sign: (circle one) Pos Neg ; coeff: _____, t stat _____, p-value : _____


statistically significant? (circle one) Yes No ... at what significance level? _____


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ap: sign: (circle one) Pos Neg ; coeff: _____, t stat _____, p-value : _____
statistically significant? (circle one) Yes No ... at what significance level? _____


othereu: sign: (circle one) Pos Neg ; coeff: _____, t stat _____, p-value : _____
statistically significant? (circle one) Yes No ... at what significance level? _____

III.3.b.  Discuss impact on the estimated eurozone effect.


III.3.c.  And the impact of all this on the estimated corrupt impact?


III.3.d.  F-stat: _____; p value: _____; Conclusion (circle one): Accept Reject
... at what level of statistical significance? _____

Is it really just an EU effect? ... or not really?

III.4.a.  Why was one dummy dropped?

III.4.b.  Interpret the results.

III.4.c.  Impact on the regional effects estimates?

III.4.d.  Linear effect, or maybe not? (circle one) Linear NotReally