

Pre-Section Exercise #8

1) Consider Olney Table V, p. 331

a) What is the unit of observation in this regression?

b) Interpret the last three rows of the table, “Residuals (actual - fitted expenditure):”

1) Consider Jalil Table 3, p. 266

a) What variable(s) capture(s) the main effect of interest and what does it suggest?

b) Which variation does Jalil use to identify the effect of being in the Atlanta district?

c) What’s one way in which you would change the study to make it more convincing?