

EEP/IAS 118: Problem Set 2 email announcements
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9/26/10

I have had questions about the following things on problem set 2, so just in case others of you are still wondering about them, here are my responses:

1) (this was covered in the Stata intro) In order to do a regression including logs of variables, you need to use the "generate" command to create the log variables first. So to make a new variable called "logx" by taking the logarithm of a variable called "x" you would type "generate logx=log(x);" Then you'd use "logx" as the variable in regressions.

2) Parts a-c of question 3 are conceptual questions asking you to think about equations (2) and (3). They do not require you to estimate the equations (i.e. you don't need to do the regression in Stata). Parts d-e do require you to estimate the equations.

3) Here is an example of how to do a regression in Stata:

```
regress energyexp totexp;
```

This will give you a table of regression output. Remember that the coefficient for "_cons" is the β_0 -hat. The coefficients for the other variables correspond to the variable names given in the left-hand column of the output table.

If you wanted to do a regression of y on x1 AND x2, you just keep listing the x variables (no commas):

```
regress y x1 x2;
```

4) Remember to INCLUDE YOUR LOG FILE when you turn in the problem set. We need that to see what you did in Stata. If you don't know how to make a log file after looking at the Stata introduction materials/do file and looking at the hint on PS2, ask a classmate or ask me, or use Google. A log file is not the same as just copying and pasting everything from your results window and then printing it. You need to actually make a log file and then print it out.