

1 Extensions of the Two-Variable Regression Model

Units of Measurement

- Interpreting $\hat{\beta}_2$
- Magnitude of the coefficients

Functional Forms

- Linear (in the variables) model
- Log-linear model
 - Exponential growth
 - Linear trend
 - Comparing R^2 s
- Log-log model
 - Transformation
 - Constant elasticity
 - Example: Cobb-Douglas production function
- Reciprocal model
 - Phillips curve
- Box-Cox model

Slopes and Elasticities

- Table 6.6
- Reporting slopes and elasticities