

ECON 5350 Problem Set #4

Due: Thursday, November 7 at the beginning of class

MATLAB PROBLEM

1. Use the spline regression and the interactive dummy variable model to test three different hypotheses:

- (a) the planet is warming at an increasing rate.
- (b) the cost of college is increasing at an increasing rate.
- (c) U.S. labor force participation rates are declining.

For each of the three hypotheses, collect the necessary data and include at least one explanatory variable in your model. Report your regression estimates in three separate tables and include the appropriate test statistics.