Stata Session2 (2/20, 2012)

For Econ6306 and EPPS6324 by Young Joon Oh

- Most of this session can be a review for ECON 6306 class
- This sesssion will cover (1) interpreting regression estimates, (2) Heteroskedasticity

Interpreting Regression Estimates

I will use some of commands and data in "c3_ols2.do" on the class website.

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- ANOVA table : TSS = ESS + RSS
- R^2 =1-$\frac{RSS}{TSS}$ = $\frac{ESS}{TSS}$: So, What ? The proportion of the total variation in DV that the model can expain.
- adj$R^2 = 1 - \frac{RSS/DoF}{TSS/(n-1)}$: Why R^2has a problem for goodness-of-fit ?
- What the other numbers mean in the Anova Table and summary statistics ?
  - df
  - MS
  - F
  - Root MSE
- How do we can get the numbers in the regression result table ?
  - coef.
  - Std.err
  - t
- Interpreting coefficients
  - $\beta = \frac{\partial y}{\partial x}$
- Model Comparing

Heteroskedasticity

- What is it?
- How can find it and test
- How to deal with it ?